

AMENDED IN ASSEMBLY AUGUST 27, 2012

AMENDED IN ASSEMBLY AUGUST 24, 2012

AMENDED IN ASSEMBLY JUNE 14, 2011

AMENDED IN ASSEMBLY MARCH 14, 2011

## SENATE BILL

**No. 71**

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**Introduced by ~~Committee on Budget and Fiscal Review~~ Senator  
*Leno***

January 10, 2011

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An act to amend Sections 1917.1, 2028.5, 3627, 4076.5, 5092, 5093, 5094.6, 12104, and 19622.2 of, and to repeal Sections 2023, 2028, 2168.5, 3628, 3640.1, 5094.5, and 7139.7 of, the Business and Professions Code, to repeal Section 9527 of the Commercial Code, to amend Sections 14030.2, 14037.7, and 14076 of the Corporations Code, to amend Sections 1986, 17285, 17292.5, 20080, 22352, 24400, 42263, 48005.45, 52314, 53101, and 66040.7 of, and to repeal Sections 8007, 18884, 20081, 20082, and 22218.5 of, the Education Code, to amend Sections 7571 and 17555, of the Family Code, to amend Sections 456, 1727, 1850, 2079, 2086, 2861, and 7862 of, and to repeal Sections 1363.5, 1851, 3409, 3864, 4904, and 8610.10 of the Fish and Game Code, to repeal Sections 12794.5, 54446, and 58591 of the Food and Agricultural Code, to amend Sections 8169.5, 8587.5, 13103.5, 14453, 14613.7, 15438.6, 16367.5, 16428.6, 17562, 19849.11, 22959.6, 30061, and 64000 of, to repeal Sections 8164, 11535, 12805.4, 14051, 14556.36, 14714, 15813.6, 20233, and 20238 of, to repeal Article 3 (commencing with Section 11675) of Chapter 6 of Part 1 of Division 3 of Title 2 of, to repeal Article 5 (commencing with Section 14760) of Chapter 5 of Part 5.5 of Division 3 of Title 2 of, the Government Code, to repeal Sections 63.6 and 1159.5 of the Harbors and Navigations Code, to amend Sections 1342.7, 1357.16, 1626, 24275, 25150.7, 25174,

25299.50, 43105.5, 44003, 44014.6, 44024, 44081.6, 44100, 44104.5, 100500, 104200, 109951, 110552, 111198, 120910, 120955, 121285, 121340, 123516, 124174.5, 124590, 128600, 130252 of, and to repeal Sections 25244.11, 25299.112, 102920, 103641, 120476, 124925, 128557.5 of, the Health and Safety Code, to amend Section 15002 of, to repeal Section 1872.1 of the Insurance Code, to amend Sections 111, 3201.5, 3201.7, 3716.1, 4755, and 5502 of the Labor Code, to amend Section 431 of the Military and Veterans Code, to amend Sections 3049.5, 3050, 4801, ~~6031.2~~, 6131, 6242.6, 8061, ~~11166~~, 11501, 13777, and 13847 of, ~~to add Section 13820.1 to~~, and to repeal Sections ~~999y~~ and Section 1174.7 of, the Penal Code, ~~to amend Section 10262.5 of the Public Contract Code~~, to amend Sections 4124, 4137, 4214, 5004.5, 5095.53, 5096.162, 5096.242, 5096.320, 5096.340, 5631, 6217.8, 6331.5, 25401.9, 25722.5, 25722.8, 32556, 41821.5, and 71211 of, to amend, repeal, and add Section 30404 of, to repeal Sections 4612, 5632, 12290, 12291, 29773.5, 30533, 32556.2, 42889.3, 47123, and 5096.829 of, the Public Resources Code, to amend Section 185032 of, to repeal Section 9502 of, the Public Utilities Code, to amend Sections 8352.4 and 10752.2 of the Revenue and Taxation Code, to amend Sections 97, 164.56, 182.8, 2424, and 30161.5 of the Streets and Highways Code, to repeal Section 9907 of the Unemployment Insurance Code, to amend Sections 9250.7, 9250.14, and 9250.19 of the Vehicle Code, to amend Sections 162, 1228.2, 13369, 13396.9, 79083, and 79555 of, and to repeal Sections 138.9 and 78684.13 of, *and to repeal Chapter 4 (commencing with Section 80250) of Division 27 of*, the Water Code, to amend Sections 1760.8, 4024, 6601, 10605.2, 10614.5, 10791, 11265.5, ~~11462~~, 14005.30, 14021.31, 14022.4, 14067, 14087.305, 14089, 14089.05, 14091.3, 14094.3, 14132, 14133.9, 14161, 14521.1, 14701, 18901.2, and 18993.8 of, and to repeal Section 19106 of, the Welfare and Institutions Code, to amend Section 2 of Chapter 133 of the Statutes of 1984, to amend Section 1 of Chapter 1436 of the Statutes of 1988, to amend Section 5 of Chapter 585 of the Statutes of 1993, to amend Section 3 of Chapter 1030 of the Statutes of 1993, to amend Section 1 of Chapter 561 of the Statutes of 1997, to amend Section 8 of Chapter 329 of the Statutes of 2000, to amend Section 2 of Chapter 790 of the Statutes of 2000, to amend Section 5 of Chapter 7 of First Extraordinary Session of 2001, to amend Section 24 of Chapter 1127 of the Statutes of 2002, to amend Section 37 of Chapter 80 of the Statutes of 2005, to amend Item 0690-102-0001 of Section 2.00 of the Budget Act of 2006 (Chapter 47 of the Statutes of 2006), to amend Item

0690-102-0001 of Section 2.00 of the Budget Act of 2007 (Chapter 171 of the Statutes of 2007), to amend Section 41 of Chapter 177 of the Statutes of 2007, to repeal Section 3 of Chapter 1397 of the Statutes of 1988, to repeal Resolution Chapter 173 of the Statutes of 1989, to repeal Resolution Chapter 12 of the Statutes of 1990, to repeal Section 1 of Chapter 452 of the Statutes of 1996, to repeal Section 3 of Chapter 791 of the Statutes of 1997, to repeal Section 51 of Chapter 171 of the Statutes of 2001, to repeal Section 2 of Chapter 87 of the Statutes of 2003, ~~to repeal Section 34 of Chapter 80 of the Statutes of 2005~~, to repeal the second Section 2 of Chapter 642 of the Statutes of 2007, to repeal Section 72 of Chapter 758 of the Statutes of 2008, to repeal Section 38 of Chapter 759 of the Statutes of 2008, to repeal Section 173 of Chapter 717 of Statutes of 2010, and to repeal Sections 37 and 38 of Chapter 6 of the Statutes of 2011, relating to state government.

#### LEGISLATIVE COUNSEL'S DIGEST

SB 71, as amended, ~~Committee on Budget and Fiscal Review~~ *Leno*. State agencies: boards, commissions, and reports.

(1) Existing law requires that various state agencies submit certain reports, plans, evaluations, and other similar documents to the Legislature and other state agencies.

This bill would eliminate the *requirement* that certain state agencies submit certain reports to the Legislature and other state agencies relating to a variety of subjects. The bill would also modify various requirements of certain reports by, among other ways, requiring specified reports be placed on the Internet Web site of the reporting agency rather than submitted to the Legislature or other state agencies, requiring certain agencies to collaborate with other agencies in preparing specified reports, consolidating certain reports, deleting the requirement that specified state agencies make specified information available on their Internet Web sites, and transferring reporting duties from one agency to another.

This bill would make various conforming changes.

~~(2) Existing law requires the Board of Corrections to report on various dates to the Legislature regarding the inspection and status of local and juvenile detention or jail facilities.~~

~~This bill would, instead, require the Board of State and Community Corrections to prepare those reports to the extent funds are available. The bill would also require the Board of State and Community~~

~~Corrections to, to the extent funds are available, prepare an annual report to the Joint Legislative Budget Committee containing specified information related to specified grant programs.~~

~~(3) Existing law requires the California Emergency Management Agency to manage or oversee various grant programs.~~

~~This bill would require the California Emergency Management Agency to, to the extent funds are available, prepare, in consultation with the Director of Finance, an annual report to the Joint Legislative Budget Committee containing specified information related to specified grant programs.~~

~~(4)~~

(2) Existing law requires the Secretary of the Natural Resources Agency to convene a committee to develop and submit to the Governor and the Legislature, on or before December 31, 2008, a Strategic Vision for a Sustainable Sacramento-San Joaquin Delta.

This bill would repeal the provisions establishing that committee.

~~(5)~~

(3) Existing law, the Naturopathic Doctors Act, provides for the licensure and regulation of naturopathic doctors by the Naturopathic Medicine Committee within the Osteopathic Medical Board of California. Existing law also requires the committee to establish a naturopathic childbirth attendance advisory subcommittee to issue recommendations concerning the practice of naturopathic childbirth attendance based upon a review of naturopathic medical education and training, as specified.

This bill would repeal the provisions providing for the establishment of this subcommittee.

~~(6)~~

(4) Existing law provides for the licensure and regulation of accountants by the California Board of Accountancy. Existing law requires an applicant for an accountancy license to complete a minimum of 24 semester units in accounting subjects and a minimum of 24 semester units in business-related subjects. Existing law, on and after January 1, 2014, requires an applicant for an accountancy license to complete an additional 10 semester units or 15 quarter units in ethics study and 20 units in accounting study. Existing law establishes the Advisory Committee on Accounting Ethics Curriculum within the jurisdiction of the board to, by January 1, 2012, recommend guidelines for the ethics study requirement to the board.

This bill would repeal the provisions establishing the Advisory Committee on Accounting Ethics Curriculum and would make related conforming and technical changes.

(7)

(5) Existing law establishes the Committee of Executive Salaries, and requires the committee to study issues relating to executive salaries in the private and public sector, and to report to the Legislature on a biannual basis its findings and recommended changes.

This bill would repeal the provisions establishing the committee.

(8)

(6) Existing law requires the State Department of Public Health to regulate certain types of candy, as defined, and requires the department to convene an interagency collaborative to serve as an oversight committee for the implementation of those provisions and to work with the department in establishing and revising the required standards.

This bill would repeal those provisions establishing the interagency collaborative and would make technical and conforming changes.

(9)

(7) Existing law creates the Fraud Division within the Department of Insurance to enforce specific provisions of law regarding crimes against insured property and insurance fraud reporting. Existing law creates the advisory committee on automobile insurance fraud and economic automobile theft prevention within the division to recommend ways to coordinate the investigation, prosecution, and prevention of automobile insurance claims fraud, and to provide assistance to the division towards implementing the goal of reducing the frequency and severity of fraudulent automobile insurance claims, among other things.

This bill would repeal the provisions establishing the advisory committee.

(10)

(8) This bill would make various technical and conforming changes.

Vote: majority. Appropriation: ~~yes~~-no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 1917.1 of the Business and Professions
- 2 Code is amended to read:
- 3 1917.1. (a) The committee may grant a license as a registered
- 4 dental hygienist to an applicant who has not taken a clinical

1 examination before the committee, if the applicant submits all of  
2 the following to the committee:

3 (1) A completed application form and all fees required by the  
4 committee.

5 (2) Proof of a current license as a registered dental hygienist  
6 issued by another state that is not revoked, suspended, or otherwise  
7 restricted.

8 (3) Proof that the applicant has been in clinical practice as a  
9 registered dental hygienist or has been a full-time faculty member  
10 in an accredited dental hygiene education program for a minimum  
11 of 750 hours per year for at least five years preceding the date of  
12 his or her application under this section. The clinical practice  
13 requirement shall be deemed met if the applicant provides proof  
14 of at least three years of clinical practice and commits to  
15 completing the remaining two years of clinical practice by filing  
16 with the committee a copy of a pending contract to practice dental  
17 hygiene in any of the following facilities:

18 (A) A primary care clinic licensed under subdivision (a) of  
19 Section 1204 of the Health and Safety Code.

20 (B) A primary care clinic exempt from licensure pursuant to  
21 subdivision (c) of Section 1206 of the Health and Safety Code.

22 (C) A clinic owned or operated by a public hospital or health  
23 system.

24 (D) A clinic owned and operated by a hospital that maintains  
25 the primary contract with a county government to fill the county's  
26 role under Section 17000 of the Welfare and Institutions Code.

27 (4) Satisfactory performance on a California law and ethics  
28 examination and any examination that may be required by the  
29 committee.

30 (5) Proof that the applicant has not been subject to disciplinary  
31 action by any state in which he or she is or has been previously  
32 licensed as a registered dental hygienist or dentist. If the applicant  
33 has been subject to disciplinary action, the committee shall review  
34 that action to determine if it warrants refusal to issue a license to  
35 the applicant.

36 (6) Proof of graduation from a school of dental hygiene  
37 accredited by the Commission on Dental Accreditation.

38 (7) Proof of satisfactory completion of the Dental Hygiene  
39 National Board Examination and of a state or regional clinical  
40 licensure examination.

1 (8) Proof that the applicant has not failed the examination for  
2 licensure to practice dental hygiene under this chapter more than  
3 once or once within five years prior to the date of his or her  
4 application for a license under this section.

5 (9) Documentation of completion of a minimum of 25 units of  
6 continuing education earned in the two years preceding application,  
7 including completion of any continuing education requirements  
8 imposed by the committee on registered dental hygienists licensed  
9 in this state at the time of application.

10 (10) Any other information as specified by the committee to  
11 the extent that it is required of applicants for licensure by  
12 examination under this article.

13 (b) The committee may periodically request verification of  
14 compliance with the requirements of paragraph (3) of subdivision  
15 (a), and may revoke the license upon a finding that the employment  
16 requirement or any other requirement of paragraph (3) of  
17 subdivision (a) has not been met.

18 (c) The committee shall provide in the application packet to  
19 each out-of-state dental hygienist pursuant to this section the  
20 following information:

21 (1) The location of dental manpower shortage areas in the state.

22 (2) Any not-for-profit clinics, public hospitals, and accredited  
23 dental hygiene education programs seeking to contract with  
24 licensees for dental hygiene service delivery or training purposes.

25 SEC. 2. Section 2023 of the Business and Professions Code is  
26 repealed.

27 SEC. 3. Section 2028 of the Business and Professions Code is  
28 repealed.

29 SEC. 4. Section 2028.5 of the Business and Professions Code  
30 is amended to read:

31 2028.5. (a) The board may establish a pilot program to expand  
32 the practice of telemedicine in this state.

33 (b) To implement this pilot program, the board may convene a  
34 working group of interested parties from the public and private  
35 sectors, including, but not limited to, state health-related agencies,  
36 health care providers, health plan administrators, information  
37 technology groups, and groups representing health care consumers.

38 (c) The purpose of the pilot program shall be to develop  
39 methods, using a telemedicine model, to deliver throughout the  
40 state health care to persons with chronic diseases as well as

1 information on the best practices for chronic disease management  
2 services and techniques and other health care information as  
3 deemed appropriate.

4 SEC. 5. Section 2168.5 of the Business and Professions Code  
5 is repealed.

6 SEC. 6. Section 3627 of the Business and Professions Code is  
7 amended to read:

8 3627. (a) The committee shall establish a naturopathic  
9 formulary advisory subcommittee to determine a naturopathic  
10 formulary based upon a review of naturopathic medical education  
11 and training.

12 (b) The naturopathic formulary advisory subcommittee shall be  
13 composed of an equal number of representatives from the clinical  
14 and academic settings of physicians and surgeons, pharmacists,  
15 and naturopathic doctors.

16 (c) The naturopathic formulary advisory subcommittee shall  
17 review naturopathic education, training, and practice and make  
18 specific recommendations regarding the prescribing, ordering, and  
19 furnishing authority of a naturopathic doctor and the required  
20 supervision and protocols for those functions.

21 SEC. 7. Section 3628 of the Business and Professions Code is  
22 repealed.

23 SEC. 8. Section 3640.1 of the Business and Professions Code  
24 is repealed.

25 SEC. 9. Section 4076.5 of the Business and Professions Code  
26 is amended to read:

27 4076.5. (a) The board shall promulgate regulations that require,  
28 on or before January 1, 2011, a standardized, patient-centered,  
29 prescription drug label on all prescription medicine dispensed to  
30 patients in California.

31 (b) To ensure maximum public comment, the board shall hold  
32 public meetings statewide that are separate from its normally  
33 scheduled hearings in order to seek information from groups  
34 representing consumers, seniors, pharmacists or the practice of  
35 pharmacy, other health care professionals, and other interested  
36 parties.

37 (c) When developing the requirements for prescription drug  
38 labels, the board shall consider all of the following factors:

39 (1) Medical literacy research that points to increased  
40 understandability of labels.



- 1 (2) Improved directions for use.
- 2 (3) Improved font types and sizes.
- 3 (4) Placement of information that is patient-centered.
- 4 (5) The needs of patients with limited English proficiency.
- 5 (6) The needs of senior citizens.
- 6 (7) Technology requirements necessary to implement the
- 7 standards.

8 (d) The board may exempt from the requirements of regulations  
9 promulgated pursuant to subdivision (a) prescriptions dispensed  
10 to a patient in a health facility, as defined in Section 1250 of the  
11 Health and Safety Code, if the prescriptions are administered by  
12 a licensed health care professional. Prescriptions dispensed to a  
13 patient in a health facility that will not be administered by a  
14 licensed health care professional or that are provided to the patient  
15 upon discharge from the facility shall be subject to the requirements  
16 of this section and the regulations promulgated pursuant to  
17 subdivision (a). Nothing in this subdivision shall alter or diminish  
18 existing statutory and regulatory informed consent, patients' rights,  
19 or pharmaceutical labeling and storage requirements, including,  
20 but not limited to, the requirements of Section 1418.9 of the Health  
21 and Safety Code or Section 72357, 72527, or 72528 of Title 22 of  
22 the California Code of Regulations.

23 (e) (1) The board may exempt from the requirements of  
24 regulations promulgated pursuant to subdivision (a) a prescription  
25 dispensed to a patient if all of the following apply:

26 (A) The drugs are dispensed by a JCAHO-accredited home  
27 infusion or specialty pharmacy.

28 (B) The patient receives health-professional-directed education  
29 prior to the beginning of therapy by a nurse or pharmacist.

30 (C) The patient receives weekly or more frequent followup  
31 contacts by a nurse or pharmacist.

32 (D) Care is provided under a formal plan of care based upon a  
33 physician and surgeon's orders.

34 (2) For purposes of paragraph (1), home infusion and specialty  
35 therapies include parenteral therapy or other forms of  
36 administration that require regular laboratory and patient  
37 monitoring.

38 SEC. 10. Section 5092 of the Business and Professions Code  
39 is amended to read:

1     5092. (a) To qualify for the certified public accountant license,  
2     an applicant who is applying under this section shall meet the  
3     education, examination, and experience requirements specified in  
4     subdivisions (b), (c), and (d), or otherwise prescribed pursuant to  
5     this article. The board may adopt regulations as necessary to  
6     implement this section.

7     (b) An applicant for the certified public accountant license shall  
8     present satisfactory evidence that the applicant has completed a  
9     baccalaureate or higher degree conferred by a college or university,  
10    meeting, at a minimum, the standards described in Section 5094,  
11    the total educational program to include a minimum of 24 semester  
12    units in accounting subjects and 24 semester units in business  
13    related subjects. This evidence shall be provided prior to admission  
14    to the examination for the certified public accountant license,  
15    except that an applicant who applied, qualified, and sat for at least  
16    two subjects of the examination for the certified public accountant  
17    license before May 15, 2002, may provide this evidence at the  
18    time of application for licensure.

19    (c) An applicant for the certified public accountant license shall  
20    pass an examination prescribed by the board pursuant to this article.

21    (d) The applicant shall show, to the satisfaction of the board,  
22    that the applicant has had two years of qualifying experience. This  
23    experience may include providing any type of service or advice  
24    involving the use of accounting, attest, compilation, management  
25    advisory, financial advisory, tax, or consulting skills. To be  
26    qualifying under this section, experience shall have been performed  
27    in accordance with applicable professional standards. Experience  
28    in public accounting shall be completed under the supervision or  
29    in the employ of a person licensed or otherwise having comparable  
30    authority under the laws of any state or country to engage in the  
31    practice of public accountancy. Experience in private or  
32    governmental accounting or auditing shall be completed under the  
33    supervision of an individual licensed by a state to engage in the  
34    practice of public accountancy.

35    (e) This section shall become inoperative on January 1, 2014,  
36    but shall become or remain operative if either the educational  
37    requirements in ethics study and accounting study established by  
38    subdivision (b) of Section 5093 and Section 5094.6 are reduced  
39    or eliminated or if the practice privilege requirements of Sections  
40    5096 to 5096.15, inclusive, are amended or repealed.

1 (f) The amendment to Section 5096.12 made by the act adding  
2 this subdivision shall not be deemed an amendment of that section  
3 for purposes of subdivision (e).

4 SEC. 11. Section 5093 of the Business and Professions Code  
5 is amended to read:

6 5093. (a) To qualify for the certified public accountant license,  
7 an applicant who is applying under this section shall meet the  
8 education, examination, and experience requirements specified in  
9 subdivisions (b), (c), and (d), or otherwise prescribed pursuant to  
10 this article. The board may adopt regulations as necessary to  
11 implement this section.

12 (b) (1) An applicant for admission to the certified public  
13 accountant examination under the provisions of this section shall  
14 present satisfactory evidence that the applicant has completed a  
15 baccalaureate or higher degree conferred by a degree-granting  
16 university, college, or other institution of learning accredited by  
17 a regional or national accrediting agency included in a list of these  
18 agencies published by the United States Secretary of Education  
19 under the requirements of the federal Higher Education Act of  
20 1965, as amended (20 U.S.C. Sec. 1001 et seq.), or meeting, at a  
21 minimum, the standards described in subdivision (c) of Section  
22 5094. The total educational program shall include a minimum of  
23 24 semester units in accounting subjects and 24 semester units in  
24 business-related subjects. This evidence shall be provided at the  
25 time of application for admission to the examination, except that  
26 an applicant who applied, qualified, and sat for at least two subjects  
27 of the examination for the certified public accountant license before  
28 May 15, 2002, may provide this evidence at the time of application  
29 for licensure.

30 (2) An applicant for issuance of the certified public accountant  
31 license under the provisions of this section shall present satisfactory  
32 evidence that the applicant has completed at least 150 semester  
33 units of college education including a baccalaureate or higher  
34 degree conferred by a college or university, meeting, at a minimum,  
35 the standards described in Section 5094, the total educational  
36 program to include a minimum of 24 semester units in accounting  
37 subjects, 24 semester units in business-related subjects, and, after  
38 December 31, 2013, shall also include a minimum of 10 units of  
39 ethics study consistent with the requirements set forth in Section  
40 5094.3 and 20 units of accounting study consistent with the

1 regulations promulgated under subdivision (a) of Section 5094.6.  
2 This evidence shall be presented at the time of application for the  
3 certified public accountant license. Nothing herein shall be deemed  
4 inconsistent with Section 5094 or 5094.6. Nothing herein shall be  
5 construed to be inconsistent with prevailing academic practice  
6 regarding the completion of units.

7 (c) An applicant for the certified public accountant license shall  
8 pass an examination prescribed by the board.

9 (d) The applicant shall show, to the satisfaction of the board,  
10 that the applicant has had one year of qualifying experience. This  
11 experience may include providing any type of service or advice  
12 involving the use of accounting, attest, compilation, management  
13 advisory, financial advisory, tax or consulting skills. To be  
14 qualifying under this section, experience shall have been performed  
15 in accordance with applicable professional standards. Experience  
16 in public accounting shall be completed under the supervision or  
17 in the employ of a person licensed or otherwise having comparable  
18 authority under the laws of any state or country to engage in the  
19 practice of public accountancy. Experience in private or  
20 governmental accounting or auditing shall be completed under the  
21 supervision of an individual licensed by a state to engage in the  
22 practice of public accountancy.

23 (e) Applicants completing education at a college or university  
24 located outside of this state, meeting, at a minimum, the standards  
25 described in Section 5094, shall be deemed to meet the educational  
26 requirements of this section if the board determines that the  
27 education is substantially equivalent to the standards of education  
28 specified under this chapter.

29 SEC. 12. Section 5094.5 of the Business and Professions Code  
30 is repealed.

31 SEC. 13. Section 5094.6 of the Business and Professions Code  
32 is amended to read:

33 5094.6. (a) The board shall, no later than January 1, 2012, by  
34 regulation, adopt guidelines for accounting study to be included  
35 as part of the education required under Section 5093. In  
36 promulgating these regulations, the board shall consider the views  
37 of the Accounting Education Advisory Committee established  
38 under Section 5094.7.

39 (b) No later than six months following the issuance of the report  
40 by the California Research Bureau regarding the Uniform

1 Accountancy Act's 150-hour rule, the board shall hold a hearing  
2 on the report. At the hearing, the board shall make  
3 recommendations, based on that report, to the National Association  
4 of State Boards of Accountancy and the American Institute of  
5 Certified Public Accountants for ensuring the relevancy of  
6 accountancy education to the modern practice of accounting and  
7 shall approve a plan for the board to seek the adoption of those  
8 recommendations and any others the board may recommend related  
9 to enforcement and Internet disclosure.

10 (c) For purposes of this section,  
11 "accounting study" means independent study or other academic  
12 work in accounting, business, ethics, business law, or other  
13 academic work relevant to accounting and business, so as to  
14 enhance the competency of students as practitioners.

15 SEC. 14. Section 7139.7 of the Business and Professions Code  
16 is repealed.

17 SEC. 15. Section 12104 of the Business and Professions Code  
18 is amended to read:

19 12104. (a) The department shall issue instructions and make  
20 recommendations to the county sealers, and the instructions and  
21 recommendations shall govern the procedure to be followed by  
22 these officers in the discharge of their duties.

23 (b) Instructions and recommendations which are made to insure  
24 statewide weights and measures protection shall include a local  
25 administration cost analysis utilizing data provided by the county  
26 sealer. The cost analysis shall identify the joint programs or  
27 activities for which funds necessary to maintain adequate county  
28 administration and enforcement have not been provided. The  
29 director shall develop, jointly with the county sealers, county  
30 priorities for the enforcement programs and activities of the  
31 director.

32 SEC. 16. Section 19622.2 of the Business and Professions  
33 Code is amended to read:

34 19622.2. (a) The authority of the Department of Food and  
35 Agriculture shall include, but is not limited to, requiring district  
36 agricultural associations to meet all applicable standards prescribed  
37 by the Department of Food and Agriculture.

38 (b) The department may delegate approval authority for such  
39 matters as the department may determine to the board of directors  
40 if the board complies with this section.

(c) Notwithstanding any other law, and in order to protect the integrity of the Fair and Exposition Fund, the department may assume any or all rights, duties, and powers of the board of directors of a district agricultural association if the department reasonably determines that there is insufficient fiscal or administrative control. The board of directors shall again exercise these rights, duties, and powers when the department determines that the fair is in compliance with this section.

(d) The department may petition a court of competent jurisdiction for an order appointing the department, or a person designated by the department, as a receiver if it determines that the fair is insolvent, or is in imminent danger of insolvency. The court shall appoint a receiver upon a showing that the fair is insolvent, or is in imminent danger of insolvency.

(e) For the purposes of this section, “insolvency” means that the district agricultural association is unable to discharge its debts as they become due in the usual course of business.

SEC. 17. Section 9527 of the Commercial Code is repealed.

SEC. 18. Section 14030.2 of the Corporations Code is amended to read:

14030.2. (a) The director may establish accounts within the expansion fund for loan guarantees and surety bond guarantees, including loan loss reserves. Each account is a legally separate account, and shall not be used to satisfy loan or surety bond guarantees or other obligations of another corporation. The director shall recommend whether the expansion fund and trust fund accounts are to be leveraged, and if so, by how much. Upon the request of the corporation, the director’s decision may be repealed or modified by a board resolution.

(b) Annually, not later than January 1 of each year commencing January 1, 1996, the director shall prepare a report regarding the loss experience for the expansion fund for loan guarantees and surety bond guarantees for the preceding fiscal year. At a minimum, the report shall also include data regarding numbers of surety bond and loan guarantees awarded through the expansion fund, including ethnicity and gender data of participating contractors and other entities, and experience of surety insurer participants in the bond guarantee program. The report shall include the information described in Section 14076 of the Corporations Code. The director

1 shall submit that report to the Secretary of Business, Transportation  
2 and Housing for transmission to the Governor and the Legislature.

3 SEC. 19. Section 14037.7 of the Corporations Code is amended  
4 to read:

5 14037.7. Pursuant to subdivision (f) of Section 8684.2 of the  
6 Government Code, within 60 days of the conclusion of the period  
7 for guaranteeing loans under any small business disaster loan  
8 guarantee program conducted for a disaster as authorized by  
9 Section 8684.2 of the Government Code or Section 14075, the  
10 agency shall provide a report to the Legislature on loan guarantees  
11 approved and rejected by gender, ethnic group, type of business  
12 and location, and each participating loan institution. The agency  
13 need only submit one report to comply with this section and  
14 subdivision (f) of Section 8684.2 of the Government Code.

15 SEC. 20. Section 14076 of the Corporations Code, as added  
16 by Section 8 of Chapter 601 of the Statutes of 2007, is amended  
17 to read:

18 14076. (a) It is the intent of the Legislature that the  
19 corporations make maximal use of their statutory authority to  
20 guarantee loans and surety bonds, including the authority to secure  
21 loans with a minimum loan loss reserve of only 25 percent, unless  
22 the agency authorizes a higher leverage ratio for an individual  
23 corporation pursuant to subdivision (b) of Section 14037, so that  
24 the financing needs of small business may be met as fully as  
25 possible within the limits of corporations' loan loss reserves. The  
26 agency shall report annually to the Legislature on the financial  
27 status of the corporations and their portfolio of loans and surety  
28 bonds guaranteed. The agency shall include this information in  
29 the annual report submitted to the Legislature by the director  
30 pursuant to subdivision (b) of Section 14030.2.

31 (b) Any corporation that serves an area declared to be in a state  
32 of emergency by the Governor or a disaster area by the President  
33 of the United States, the Administrator of the United States Small  
34 Business Administration, or the United States Secretary of  
35 Agriculture shall increase the portfolio of loan guarantees where  
36 the dollar amount of the loan is less than one hundred thousand  
37 dollars (\$100,000), so that at least 15 percent of the dollar value  
38 of loans guaranteed by the corporation is for those loans. The  
39 corporation shall comply with this requirement within one year of  
40 the date the emergency or disaster is declared. Upon application

1 of a corporation, the director may waive or modify the rule for the  
2 corporation if the corporation demonstrates that it made a good  
3 faith effort to comply and failed to locate lending institutions in  
4 the region that the corporation serves that are willing to make  
5 guaranteed loans in that amount.

6 (c) This section shall become operative on January 1, 2013.

7 SEC. 21. Section 1986 of the Education Code is amended to  
8 read:

9 1986. (a) The Legislature hereby recognizes that community  
10 schools are a permissive educational program.

11 (b) If a county superintendent of schools elects to operate a  
12 community school pursuant to this chapter, he or she shall do one  
13 or more of the following:

14 (1) Utilize available school facilities that conform to the  
15 requirements of Part 2 (commencing with Section 2-101), Part 3  
16 (commencing with Section 3-089-1), Part 4 (commencing with  
17 Section 4-403), and Part 5 (commencing with Section 5-102), of  
18 Title 24 of the California Code of Regulations.

19 (2) Apply for emergency portable classrooms pursuant to Section  
20 17717.2 or Chapter 25 (commencing with Section 17785) of Part  
21 10.

22 (3) Enter into lease agreements provided that the facilities are  
23 limited to one of the following:

24 (A) Single story, wood-framed structure.

25 (B) Single story, light steel frame structure.

26 (C) A structure where a structural engineer has submitted a  
27 report that determines substantial structural hazards do not exist.  
28 The county board of education shall review the report prior to  
29 approval of the lease and may reject the report if there is any  
30 evidence of fraud regarding the facts in the report.

31 (c) Before entering into any lease pursuant to paragraph (3) of  
32 subdivision (b), the county superintendent of schools shall certify  
33 that all reasonable efforts have been made to locate community  
34 schools in facilities that conform to the structural safety standards  
35 listed in paragraph (1) of subdivision (b).

36 (d) This section shall become operative on July 1, 1990.

37 SEC. 22. Section 8007 of the Education Code is repealed.

38 SEC. 23. Section 17285 of the Education Code is amended to  
39 read:



1 17285. (a) Notwithstanding any provision of law except  
2 Sections 17286, 17287, 17405, and this section, a leased building  
3 that does not meet the requirements of Section 17280 may not be  
4 used as a school building, as defined in Section 17283, after  
5 September 1, 1990.

6 (b) A school district may lease a commercial building prior to  
7 January 1, 2003, that does not meet the requirements of Section  
8 17280, for use as a school building, as defined in Section 17283,  
9 if the governing board of the district finds that all of the following  
10 conditions have been met:

11 (1) The building was constructed in accordance with seismic  
12 safety standards for commercial buildings constructed within an  
13 earthquake zone.

14 (2) The building permit for the initial construction of the  
15 building was issued on or after January 1, 1990.

16 (3) A structural engineer has inspected the building and  
17 submitted a report to the governing board of the school district  
18 that certifies that the building is in substantial compliance with the  
19 requirements of the Field Act. This certification requirement is  
20 satisfied if the structural engineer affixes his or her seal of approval  
21 to the report and he or she attests in that report that to the best of  
22 his or her knowledge:

23 (A) He or she has reviewed the design calculations, construction  
24 documents, and the local government construction inspection  
25 records of the building to the extent available.

26 (B) He or she has authorized testing and has observed or  
27 reviewed the test results and the inspections of an adequate sample  
28 of the structure's welds, anchor bolts, and other structural elements.

29 (C) He or she has observed that the overhead nonstructural  
30 elements, including, but not limited to, light fixtures, heating, and  
31 air-conditioning diffusers are adequately braced or anchored.

32 The governing board of the school district shall submit the report  
33 to the Division of the State Architect for its review. The Division  
34 of the State Architect has one month to review the report for  
35 compliance with the above requirements, and to provide feedback  
36 to the structural engineer regarding any insufficiencies with the  
37 report, and whether or not the building is in substantial compliance  
38 with the requirements of the Field Act. If the Division of the State  
39 Architect does not respond within one month of the final and  
40 complete report being submitted, the Division of the State Architect

1 will be deemed to have concurred with the structural engineer's  
2 report. A final decision by the governing board of the school district  
3 to occupy the building for school purposes shall not occur until  
4 the governing board has reviewed and considered the feedback of  
5 the Division of the State Architect, or the one month review period  
6 has passed.

7 No member of the governing board of a school district, nor any  
8 employee of a school district, shall be held personally liable for  
9 injury to persons or damage to property resulting from the fact that  
10 the governing board of the school district used a commercial  
11 building pursuant to this subdivision for a school and the building  
12 was not constructed under the requirements of Section 17280. This  
13 exemption from personal liability for members of the governing  
14 board and employees of a school district is not intended to limit  
15 the liability of the school district for injury to persons or damage  
16 to property resulting from the fact that the governing board or any  
17 employee of the school district used a commercial building  
18 pursuant to this subdivision for a school and the building was not  
19 constructed under the requirements of Section 17280. This  
20 exemption from personal liability for members of the governing  
21 board and employees of a school district is not intended to limit  
22 the liability of the school district, the governing board or the  
23 district's employees pursuant to Section 835 of the Government  
24 Code. Section 17312 is not applicable to a person who, pursuant  
25 to this section, leases or uses a building for a school building that  
26 meets the requirements of this section but does not meet the  
27 requirements of Section 17280. Approval and use of a building  
28 pursuant this subdivision does not constitute a violation of the  
29 Field Act.

30 (c) A building leased pursuant to Section 17280 may be used  
31 after September 1, 1991, as a regional occupational center or  
32 program that does not meet the requirements of Section 17280,  
33 provided the building satisfies all of the following conditions:

34 (1) The facility is one of the following:

35 (A) A single-story, wood-framed structure.

36 (B) A single-story, light steel frame structure.

37 (C) A structure for which a structural engineer has submitted a  
38 report that certifies that substantial structural hazards do not exist,  
39 as to that structure. The governing board of the regional  
40 occupational center or program, as provided for under Section

52310.5, shall review the report prior to approval of the lease and may reject the report if there is any evidence of fraud regarding the facts in the report.

(2) The building or structure complies with all applicable local building standards and all applicable local health and safety standards in the community in which it is located.

(3) The governing board of the regional occupational center or program, as provided for under Section 52310.5, certifies to the State Allocation Board that reasonable efforts have been made to locate the regional occupational center or program in facilities that conform to the seismic safety standards set forth in Part 2 (commencing with Section 2-101), Part 3 (commencing with Section 3-089-1), Part 4 (commencing with Section 4-403), and Part 5 (commencing with Section 5-102), of Title 24 of the California Code of Regulations.

SEC. 24. Section 17292.5 of the Education Code is amended to read:

17292.5. (a) If the governing board of a school district operates a program for expelled pupils, the governing board shall do one or more of the following:

(1) Utilize available school facilities that conform to the requirements of Part 2 (commencing with Section 2-101), Part 3 (commencing with Section 3-089-1), Part 4 (commencing with Section 4-403), and Part 5 (commencing with Section 5-102), of Title 24 of the California Code of Regulations.

(2) Apply for emergency portable classrooms pursuant to Chapter 25 (commencing with Section 17085) of Part 10.

(3) Enter into lease agreements for facilities, provided that the facilities are limited to a structure where a structural engineer has submitted a report that determines substantial structural hazards do not exist.

(b) Before entering into any lease pursuant to paragraph (3) of subdivision (a), the governing board of the school district shall certify to the State Allocation Board that all reasonable efforts have been made to locate the program in facilities that conform to the structural safety standards listed in paragraph (1) of subdivision (a).

SEC. 25. Section 18884 of the Education Code is repealed.

SEC. 26. Section 20080 of the Education Code is amended to read:

1     20080. The endowment shall undertake a comprehensive survey  
2 of the state of cultural and historical preservation, accessibility,  
3 and interpretation in California. In conducting the survey, the  
4 endowment shall coordinate with existing state agencies, including  
5 the California Arts Council, the Department of Parks and  
6 Recreation, and the Secretary of State. The report shall include all  
7 of the following:

8     (a) A survey of elements in California's existing assemblage of  
9 buildings, sites, artifacts, museums, cultural landscapes, trails,  
10 illustrations, the arts and artistic expressions, written materials,  
11 and displays and interpretive centers that are missing or  
12 underrepresented, such as if current facilities, materials, and  
13 services leave out, misrepresent, or inadequately present some  
14 important thread of the story of California as a unified society or  
15 of the many groups of people that together comprise historic and  
16 modern California.

17     (b) Recommendations for steps that should be taken to fill in  
18 the missing or underrepresented elements identified in subdivision  
19 (a).

20     (c) Recommendations for the manner of transferring the Office  
21 of Historic Preservation in the Department of Parks and Recreation  
22 to the endowment, consistent with the Legislature's intent  
23 expressed in Section 20052.5.

24     (d) Recommendations for additional steps that should be taken  
25 to better preserve and administer cultural and historic resources  
26 efficiently and effectively, including additional actions that should  
27 be taken to improve the governmental structures responsible for  
28 historic and cultural preservation in California, including oversight  
29 and support of museums. In particular, the endowment shall  
30 examine the feasibility and desirability of establishing the  
31 endowment as a separate institution in state government, without  
32 ties to any existing agency or department, although under the  
33 general authority of the Governor. The endowment shall also  
34 identify the most appropriate chair, or the most appropriate method  
35 for selecting the chair, of its board.

36     (e) A survey of the capacities and fiscal conditions of public,  
37 nonprofit, and other private entities in California that provide  
38 cultural and historical facilities and services, including museums.

1 (f) Recommendations for the future financing of cultural and  
2 historical programs provided by public agencies and nonprofit  
3 agencies in California, including museums.

4 (g) Recommendations for programs to encourage the historic  
5 maintenance and restoration of properties in private ownership,  
6 including, but not limited to, a state tax credit for restoration of  
7 historic properties that maintain historic integrity, property tax  
8 deferral as long as a property's historic integrity is maintained,  
9 and low interest loans.

10 (h) A study of the economic impact of the preservation and  
11 interpretation of cultural and historic resources in the state. This  
12 should include the economic benefits resulting from the  
13 preservation of historic commercial and residential properties and  
14 sites, and from historic and cultural tourism activities.

15 SEC. 27. Section 20081 of the Education Code is repealed.

16 SEC. 28. Section 20082 of the Education Code is repealed.

17 SEC. 29. Section 22218.5 of the Education Code is repealed.

18 SEC. 30. Section 22352 of the Education Code is amended to  
19 read:

20 22352. Upon a finding by the board that necessary investment  
21 expertise is not available within existing civil service  
22 classifications, and with the approval of the State Personnel Board,  
23 the board may contract with qualified investment managers having  
24 demonstrated expertise in the management of large and diverse  
25 investment portfolios to render service in connection with the  
26 investment program of the board.

27 SEC. 31. Section 24400 of the Education Code is amended to  
28 read:

29 24400. The Legislature recognizes that inflation erodes the  
30 purchasing power of benefits paid under the plan under this part.  
31 It is the intent of the Legislature to understand the degree of erosion  
32 of these benefits.

33 SEC. 32. Section 42263 of the Education Code is amended to  
34 read:

35 42263. (a) Commencing in the 1990–91 fiscal year, year-round  
36 school grants, in addition to those grants authorized under Section  
37 42262, shall be awarded annually for the operation of year-round  
38 education programs to school districts that meet the criteria  
39 specified in this section, in addition to the criteria otherwise  
40 applicable under this article.

(b) For each fiscal year, for each schoolsite for which a school district applies for funding under this article, the district shall certify the number of pupils in excess of the capacity of the schoolsite, as determined by State Allocation Board or court-mandated pupil loading standards, for which the district elects to claim funding under this article. The excess pupil capacity calculated for purposes of this subdivision shall reflect only the additional capacity that has been generated as a result of operation on a multitrack year-round basis, and shall not reflect increased capacity generated by any other means. A school district shall be eligible for funding under this section only as to any schoolsite for which the pupil population certified by the district exceeds the capacity of the schoolsite by not less than 5 percent.

(c) To the extent funding is made available for the purposes of this section, the Superintendent of Public Instruction shall allocate to an applicant school district, for each schoolsite that qualifies for funding under subdivision (b), an amount equal to the district's share of the product of the statewide average cost avoided per pupil, as established under subdivision (e), and the number of pupils certified by the district under subdivision (b). For purposes of this subdivision, a district's share shall be determined according to the percentage by which the number of certified pupils reflects an increase in the capacity of the schoolsite, as follows:

|   | District's Share |
|---|------------------|
| 1. Less than 5%                                   | 0%               |
| 2. Equal to or greater than 5% but less than 10%  | 50%              |
| 3. Equal to or greater than 10% but less than 15% | 67%              |
| 4. Equal to or greater than 15% but less than 20% | 75%              |
| 5. Equal to or greater than 20% but less than 25% | 85%              |
| 6. Equal to or greater than 25%                   | 90%              |

(d) (1) The State Allocation Board shall calculate the statewide average cost avoided per pupil under Chapter 12.5 (commencing with Section 17070.10) of Part 10 through the operation of school

1 facilities on a multitrack year-round basis, based on the following  
2 school facilities cost components:

- 3 (A) The cost of facilities construction.
- 4 (B) The cost of land acquisition.
- 5 (C) Relocation costs in connection with land acquisition.
- 6 (D) State costs incurred as a result of interest that would be paid  
7 by the state for debt service on state general obligation bond  
8 financing to construct new school facilities under Chapter 12.5  
9 (commencing with Section 17070.10) of Part 10.

10 (2) The calculation of costs under subparagraphs (B) and (C)  
11 of paragraph (1) shall exclude data from the lowest quartile and  
12 the highest quartile.

13 (3) The State Allocation Board shall calculate the statewide  
14 average cost avoided per pupil, pursuant to this subdivision, on  
15 the basis of the 1990–91 and 1991–92 fiscal years and every  
16 two-year period thereafter.

17 (e) For the 1990–91 and 1991–92 fiscal years, the “statewide  
18 average cost avoided per pupil,” for purposes of this section, shall  
19 be one thousand one hundred fifty-one dollars (\$1,151). For the  
20 1992–93 fiscal year, and each fiscal year thereafter, the “statewide  
21 average cost avoided per pupil” shall be established by the statute  
22 that appropriates funding for the purposes of this section for that  
23 fiscal year.

24 SEC. 33. Section 48005.45 of the Education Code is amended  
25 to read:

26 48005.45. (a) The Superintendent, by June 1, 2007, shall  
27 contract for an independent longitudinal evaluation regarding the  
28 effects of the change in the entry age for kindergarten and first  
29 grade pursuant to this article. In selecting the independent  
30 evaluator, awarding the contract pursuant to this section, and in  
31 monitoring performance under the contract, the Superintendent  
32 shall consult with the advisory panel convened pursuant to  
33 subdivision (b) of Section 48005.13.

34 (b) The evaluation shall be based upon samples of sufficient  
35 size and diversity to allow results to be reported separately for  
36 pupils of different ethnicity, socioeconomic status, and primary  
37 language, and results of the evaluation shall be so reported.

38 (c) The primary purpose of the evaluation is to determine  
39 whether this entry age change results in improved readiness for

1 school and an improvement in academic achievement among  
2 participating children.

3 (d) The evaluation shall use representative sampling to identify  
4 the change's effects on all of the following:

5 (1) Academic achievement, as measured by standardized tests,  
6 as compared with pupils not participating in the program.

7 (2) Behavioral problems, as measured by objective data  
8 including, but not limited to, suspension and expulsion rates, as  
9 compared with pupils not participating in the program.

10 (3) Academic problems, as measured by referrals to special  
11 education and remedial programs, as compared with pupils not  
12 participating in the program.

13 (4) Age of kindergarten entry and previous educationally based  
14 preschool experience, including, but not limited to, access to child  
15 care and preschool by parents or guardians.

16 (5) Overall retention rates in kindergarten and in subsequent  
17 grades.

18 (6) Participation in remedial, supplemental, or summer school  
19 programs.

20 (7) Class size.

21 (8) Number of pupils participating in kindergarten.

22 (9) Number of pupils participating in the kindergarten readiness  
23 programs.

24 (10) Differences, if any, between programs with full preschool  
25 participation, and those with partial or no preschool.

26 (11) Child care difficulties caused by the admission age change.

27 (12) Demographic breakdown of participants and  
28 nonparticipants, including, but not limited to, socioeconomic and  
29 ethnic demographics.

30 (13) Facilities difficulties, if any, encountered by participating  
31 school districts.

32 (14) The ability of parents to gain access to the program,  
33 disaggregated by ethnic, primary language, and socioeconomic  
34 status.

35 (e) It is the intent of the Legislature that funding for this  
36 evaluation be included in the Budget Act or a bill related to the  
37 Budget Act. It is the intent of the Legislature to subsequently  
38 increase the number of hours funded for the kindergarten readiness  
39 program if the reports pursuant to this section indicate that the  
40 increase would be beneficial.



1 SEC. 34. Section 52314 of the Education Code is amended to  
2 read:

3 52314. (a) (1) Except as provided in subdivision (b), any pupil  
4 eligible to attend a high school or adult school in a school district  
5 subject to the jurisdiction of a county superintendent of schools  
6 operating a regional occupational center or regional occupational  
7 program, and who resides in a school district which by itself or in  
8 cooperation with other school districts, has not established a  
9 regional occupational center, or regional occupational program,  
10 is eligible to attend a regional occupational center or regional  
11 occupational program maintained by the county superintendent of  
12 schools. Any school district which in cooperation with other school  
13 districts maintains a regional occupational center, or regional  
14 occupational program, or any cooperating school districts may  
15 admit to the center, or program, any pupil, otherwise eligible, who  
16 resides in the district or in any of the cooperating districts. Any  
17 school district which by itself maintains a regional occupational  
18 center, or regional occupational program, may admit to the center,  
19 or program, any pupil, otherwise eligible, who resides in the  
20 district. No pupil, including adults under Section 52610 shall be  
21 admitted to a regional occupational center, or regional occupational  
22 program, unless the county superintendent of schools or governing  
23 board of the district or districts maintaining the center, or program,  
24 as the case may be, determines that the pupil will benefit therefrom  
25 and approves of his or her admission to the regional occupational  
26 center or regional occupational program.

27 (2) Adult students shall not be enrolled in regional occupational  
28 center or program courses during the school day on a high school  
29 campus unless specifically authorized by the policy of the  
30 governing board of the school district.

31 (3) A pupil may be admitted on a full-time or part-time basis,  
32 as determined by the county superintendent of schools or governing  
33 board of the school district or districts maintaining the center, or  
34 program, as the case may be.

35 (b) A pupil is not eligible to be admitted to a regional  
36 occupational center or program, and his or her attendance shall  
37 not be credited to a regional occupational center or program, until  
38 he or she has attained the age of 16 years, unless the pupil meets  
39 one or more of the following conditions:

40 (1) The pupil is enrolled in grade 11 or a higher grade.

(2) The pupil received a referral and all of the following conditions are met:

(A) The pupil is referred to a regional occupational center or program as part of a comprehensive high school plan that has been approved by a school counselor or school administrator. The approval of the pupil's parents or guardian may be sought but is not required.

(B) The pupil's comprehensive high school plan requires referral to a regional occupational center or program as part of a sequence of vocational courses that allows the pupil to learn a comprehensive skill occupation that culminates in earning a postsecondary vocational certificate or diploma or its equivalent.

(C) The pupil is enrolled in a school that maintains any of grades 9 to 12, inclusive.

(3) The individualized education program of a pupil adopted pursuant to the requirements of Chapter 4 (commencing with Section 56300) of Part 30 prescribes occupational training for which his or her enrollment in a regional occupational center or program is deemed appropriate.

(4) The pupil is enrolled in grade 10 and has a comprehensive high school plan that has been approved by a school counselor, and the admission of that pupil will not result in the denial of admission or displacement of pupils in grades 11 and 12 that would otherwise participate in the regional occupational center or program.

(c) Each school district, county superintendent of schools, or joint powers agency that maintains a regional occupational center or regional occupational program shall submit to the department, at the time and in the manner prescribed by the Superintendent, the enrollment and average daily attendance for each grade level and the enrollment and average daily attendance for each exemption set forth in subdivision (b).

(

SEC. 35. Section 53101 of the Education Code is amended to read:

53101. (a) The Governor, the Superintendent, and the state board shall jointly develop a single high-quality plan or multiple plans, in collaboration with participating local educational agencies, as necessary, to submit as part of an application for federal Race

1 to the Top funds, authorized under the federal American Recovery  
2 and Reinvestment Act of 2009 (Public Law 111-5).

3 .

4 (b) The plan shall include a budget or expenditure plan  
5 consistent with the requirements of the Race to the Top program  
6 and application. At a minimum, the plan shall address how the  
7 Race to the Top program funds and any other applicable federal  
8 funds shall be used to provide resources to the low-achieving and  
9 persistently lowest-achieving schools as defined in this chapter.  
10 These resources may include, but are not necessarily limited to,  
11 professional development, technical assistance, and partnering  
12 with schools that have successfully transitioned from low- to  
13 higher-performing status.

14 (c) It is the intent of the Legislature that funding for local  
15 educational agencies be the highest priority in the allocation of  
16 Race to the Top program funds.

17 SEC. 36. Section 66040.7 of the Education Code is amended  
18 to read:

19 66040.7. The California State University, the Department of  
20 Finance, and the Legislative Analyst's Office shall jointly conduct  
21 a statewide evaluation of the new programs implemented under  
22 this article. The evaluation required by this section shall consider  
23 all of the following:

24 (a) The number of new doctoral programs in education  
25 implemented, including information identifying the number of  
26 new programs, applicants, admissions, enrollments, degree  
27 recipients, time-to-degree, attrition, and public school and  
28 community college program partners.

29 (b) The extent to which the programs established under this  
30 article are fulfilling identified state needs for training in educational  
31 leadership, including statewide supply and demand data that  
32 considers capacity at the University of California and in  
33 California's independent colleges and universities.

34 (c) Information on the place of employment of students and the  
35 subsequent job placement of graduates.

36 (d) Any available evidence on the effects that the graduates of  
37 the programs are having on elementary and secondary school and  
38 community college reform efforts and on student achievement.

39 (e) Program costs and the fund sources that were used to finance  
40 these programs, including a calculation of cost per degree awarded.

1 (f) The costs of the programs to students, the amount of financial  
2 aid offered, and student debt levels of graduates of the programs.

3 (g) The extent to which the programs established under this  
4 article are in compliance with the requirements of this article.

5 SEC. 37. Section 7571 of the Family Code is amended to read:

6 7571. (a) On and after January 1, 1995, upon the event of a  
7 live birth, prior to an unmarried mother leaving any hospital, the  
8 person responsible for registering live births under Section 102405  
9 of the Health and Safety Code shall provide to the natural mother  
10 and shall attempt to provide, at the place of birth, to the man  
11 identified by the natural mother as the natural father, a voluntary  
12 declaration of paternity together with the written materials  
13 described in Section 7572. Staff in the hospital shall witness the  
14 signatures of parents signing a voluntary declaration of paternity  
15 and shall forward the signed declaration to the Department of Child  
16 Support Services within 20 days of the date the declaration was  
17 signed. A copy of the declaration shall be made available to each  
18 of the attesting parents.

19 (b) No health care provider shall be subject to any civil, criminal,  
20 or administrative liability for any negligent act or omission relative  
21 to the accuracy of the information provided, or for filing the  
22 declaration with the appropriate state or local agencies.

23 (c) The local child support agency shall pay the sum of ten  
24 dollars (\$10) to birthing hospitals and other entities that provide  
25 prenatal services for each completed declaration of paternity that  
26 is filed with the Department of Child Support Services, provided  
27 that the local child support agency and the hospital or other entity  
28 providing prenatal services has entered into a written agreement  
29 that specifies the terms and conditions for the payment as required  
30 by federal law.

31 (d) If the declaration is not registered by the person responsible  
32 for registering live births at the hospital, it may be completed by  
33 the attesting parents, notarized, and mailed to the Department of  
34 Child Support Services at any time after the child's birth.

35 (e) Prenatal clinics shall offer prospective parents the  
36 opportunity to sign a voluntary declaration of paternity. In order  
37 to be paid for their services as provided in subdivision (c), prenatal  
38 clinics must ensure that the form is witnessed and forwarded to  
39 the Department of Child Support Services within 20 days of the  
40 date the declaration was signed.

(f) Declarations shall be made available without charge at all local child support agency offices, offices of local registrars of births and deaths, courts, and county welfare departments within this state. Staff in these offices shall witness the signatures of parents wishing to sign a voluntary declaration of paternity and shall be responsible for forwarding the signed declaration to the Department of Child Support Services within 20 days of the date the declaration was signed.

(g) The Department of Child Support Services, at its option, may pay the sum of ten dollars (\$10) to local registrars of births and deaths, county welfare departments, or courts for each completed declaration of paternity that is witnessed by staff in these offices and filed with the Department of Child Support Services. In order to receive payment, the Department of Child Support Services and the entity shall enter into a written agreement that specifies the terms and conditions for payment as required by federal law. The Department of Child Support Services shall study the effect of the ten dollar (\$10) payment on obtaining completed voluntary declaration of paternity forms.

(h) The Department of Child Support Services and local child support agencies shall publicize the availability of the declarations. The local child support agency shall make the declaration, together with the written materials described in subdivision (a) of Section 7572, available upon request to any parent and any agency or organization that is required to offer parents the opportunity to sign a voluntary declaration of paternity. The local child support agency shall also provide qualified staff to answer parents' questions regarding the declaration and the process of establishing paternity.

(i) Copies of the declaration and any rescissions filed with the Department of Child Support Services shall be made available only to the parents, the child, the local child support agency, the county welfare department, the county counsel, the State Department of Health Services, and the courts.

(j) Publicly funded or licensed health clinics, pediatric offices, Head Start programs, child care centers, social services providers, prisons, and schools may offer parents the opportunity to sign a voluntary declaration of paternity. In order to be paid for their services as provided in subdivision (c), publicly funded or licensed health clinics, pediatric offices, Head Start programs, child care

1 centers, social services providers, prisons, and schools shall ensure  
2 that the form is witnessed and forwarded to the Department of  
3 Child Support Services.

4 (k) Any agency or organization required to offer parents the  
5 opportunity to sign a voluntary declaration of paternity shall also  
6 identify parents who are willing to sign, but were unavailable when  
7 the child was born. The organization shall then contact these  
8 parents within 10 days and again offer the parent the opportunity  
9 to sign a voluntary declaration of paternity.

10 SEC. 38. Section 17555 of the Family Code is amended to  
11 read:

12 17555. (a) Any appropriation made available in the annual  
13 Budget Act for the purposes of augmenting funding for local child  
14 support agencies in the furtherance of their revenue collection  
15 responsibilities shall be subject to all of the following requirements:

16 (1) Each local child support agency shall submit to the  
17 department an early intervention plan with all components to take  
18 effect upon receipt of their additional allocation as a result of this  
19 proposal.

20 (2) Funds shall be distributed to counties based on their  
21 performance on the following two federal performance measures:

22 (A) Measure 3: Collections on Current Support.

23 (B) Measure 4: Cases with Collections on Arrears.

24 .  
25 (3) A local child support agency shall be required to use and  
26 ensure that 100 percent of the new funds allocated are dedicated  
27 to maintaining caseworker staffing levels in order to stabilize child  
28 support collections.

29 (4) At the end of each fiscal year that this augmentation is in  
30 effect, the department shall provide a report on the  
31 cost-effectiveness of this augmentation, including an assessment  
32 of caseload changes over time.

33 (b) It is the intent of the Legislature to review the results of this  
34 augmentation and the level of related appropriation during the  
35 legislative budget review process.

36 SEC. 39. Section 456 of the Fish and Game Code is amended  
37 to read:

38 456. The department shall biennially report to the Legislature  
39 and to the Fish and Game Commission on the progress that is being  
40 made toward the restoration and maintenance of California's deer

1 herds. The first report shall be submitted on or before October 1,  
2 1989. The report shall include program activities regarding deer  
3 habitat, particularly addressing problems dealing with identification  
4 and preservation of critical deer habitat areas; the amount of  
5 revenue derived from the sale of deer tags during the two previous  
6 fiscal years; a list of expenditures during the two previous fiscal  
7 years and proposed expenditures during the current fiscal year;  
8 and a report of general benefits accrued to the deer resources as a  
9 result of the program.

10 SEC. 40. Section 1363.5 of the Fish and Game Code is  
11 repealed.

12 SEC. 41. Section 1727 of the Fish and Game Code is amended  
13 to read:

14 1727. (a) In order to provide for a diversity of available angling  
15 experiences throughout the state, it is the intent of the Legislature  
16 that the commission maintain the existing wild trout program, and  
17 as part of the program, develop additional wild trout waters in the  
18 more than 20,000 miles of trout streams and approximately 5,000  
19 lakes containing trout in California.

20 (b) The department shall prepare a list of no less than 25 miles  
21 of stream or stream segments and at least one lake that it deems  
22 suitable for designation as wild trout waters. The department shall  
23 submit this list to the commission for its consideration at the regular  
24 October commission meeting.

25 (c) The commission may remove any stream or lake that it has  
26 designated as a wild trout fishery from the program at any time.  
27 If any of those waters are removed from the program, an equivalent  
28 amount of stream mileage or an equivalent size lake shall be added  
29 to the wild trout program.

30 (d) The department shall prepare and complete management  
31 plans for all wild trout waters not more than three years following  
32 their initial designation by the commission, and to update the  
33 management plan every five years following completion of the  
34 initial management plan.

35 SEC. 42. Section 1850 of the Fish and Game Code is amended  
36 to read:

37 1850. On or before January 1, 2002, the department shall  
38 establish an updated database of all existing and operating wetlands  
39 mitigation banks that sell credits to the public in California. To  
40 the extent feasible, the department shall use all existing information

1 in compiling this database and shall utilize the CERES  
2 Environmental Data Catalog to make this information available  
3 to the public. The department shall update this database on an  
4 annual basis.

5 SEC. 43. Section 1851 of the Fish and Game Code is repealed.

6 SEC. 44. Section 2079 of the Fish and Game Code is amended  
7 to read:

8 2079. The department shall, by January 30 of every third year,  
9 beginning January 30, 1986, prepare a report summarizing the  
10 status of all state listed endangered, threatened, and candidate  
11 species, and shall post the report on the commission's Internet  
12 Web site. This report shall include, but not be limited to, a listing  
13 of those species designated as endangered, threatened, and  
14 candidate species, a discussion of the current status of endangered,  
15 threatened, or candidate species, and the timeframes for the review  
16 of listed species pursuant to this article.

17 SEC. 45. Section 2086 of the Fish and Game Code is amended  
18 to read:

19 2086. (a) The department, in cooperation with the Department  
20 of Food and Agriculture, agricultural commissioners, extension  
21 agents, farmers, ranchers, and other agricultural experts, shall adopt  
22 regulations that authorize locally designed voluntary programs for  
23 routine and ongoing agricultural activities on farms or ranches that  
24 encourage habitat for candidate, threatened, and endangered  
25 species, and wildlife generally. Agricultural commissioners,  
26 extension agents, farmers, ranchers, or other agricultural experts,  
27 in cooperation with conservation groups, may propose those  
28 programs to the department. The department shall propose  
29 regulations for those programs not later than July 1, 1998.

30 (b) Programs authorized under subdivision (a) shall do all of  
31 the following:

32 (1) Include management practices that will, to the maximum  
33 extent practicable, avoid and minimize take of candidate,  
34 endangered, and threatened species, while encouraging the  
35 enhancement of habitat.

36 (2) Be supported by the best available scientific information for  
37 both agricultural and conservation practices.

38 (3) Be consistent with the policies and goals of this chapter.



1 (4) Be designed to provide sufficient flexibility to maximize  
2 participation and to gain the maximum wildlife benefits without  
3 compromising the economics of agricultural operations.

4 (5) Include terms and conditions to allow farmers or ranchers  
5 to cease participation in a program without penalty. The terms and  
6 conditions shall include reasonable measures to minimize take  
7 during withdrawal from the program.

8 (c) Any taking of candidate, threatened, or endangered species  
9 incidental to routine and ongoing agricultural activities that occurs  
10 while the management practices specified by paragraph (1) of  
11 subdivision (b) are followed, is not prohibited by this chapter.

12 (d) (1) The department shall automatically renew the  
13 authorization for these voluntary programs every five years, unless  
14 the Legislature amends or repeals this section in which case the  
15 program shall be revised to conform to this section.

16 (2) Commencing in 2000, and every five years thereafter, the  
17 department shall post a report regarding the effect of the programs  
18 on its Internet Web site. The department shall consult with the  
19 Department of Food and Agriculture in evaluating the programs  
20 and preparing the report. The report shall address factors such as  
21 the temporary and permanent acreage benefiting from the programs,  
22 include an estimate of the amount of land upon which routine and  
23 ongoing agricultural activities are conducted, provide examples  
24 of farmer and rancher cooperation, and include recommendations  
25 to improve the voluntary participation by farmers and ranchers.

26 (e) If the authorization for these programs is not renewed or is  
27 modified under subdivision (d), persons participating in the  
28 program shall be allowed to cease participating in the program in  
29 accordance with the terms and conditions specified in paragraph  
30 (5) of subdivision (b), without penalty.

31 (f) (1) The department may approve an application submitted  
32 by an agricultural-based nonprofit organization or other entity  
33 registered as a California nonprofit organization to initiate and  
34 undertake public education and outreach activities that promote  
35 the achievement of the objectives of this chapter. An application  
36 submitted pursuant to this subdivision shall include the following:

37 (A) The name and contact information of the participating  
38 organization.

39 (B) A brief description of the planned outreach activities.

40 (C) An end date for the outreach activities.

(2) The department may require a participating organization to submit, for approval by the department, educational materials and outreach materials that are disseminated to the public in furtherance of this subdivision.

(3) A participating organization shall file an annual report with the department before the end of each calendar year during the time period specified in the application. The report shall include, but is not limited to, the following:

(A) Complete information on the activities conducted by the participating organization in the prior year, including a description of all means of communicating to the public and agricultural community, including personal visits, electronic communications, organized meetings, or other means.

(B) A compilation of responses from the public and members of the agricultural community that will assist the participating organization and the department to modify or improve public education and outreach activities on an ongoing basis.

(C) An assessment of the existing knowledge within the agricultural community of programs and prohibitions under this chapter and a review of outreach activities that could be used to adapt and improve future outreach efforts.

(D) Information on a farm or ranch that has expressed interest in participating in a voluntary program pursuant to this section or the safe harbor agreement program contained in Article 3.7 (commencing with Section 2089.2). This provision does not require the annual report to include the identification to the department of an individual, farm, or ranch.

SEC. 46. Section 2861 of the Fish and Game Code is amended to read:

2861. (a) The commission shall, annually until the master plan is adopted and thereafter at least every three years, receive, consider, and promptly act upon petitions from any interested party, to add, delete, or modify MPAs, favoring those petitions that are compatible with the goals and guidelines of this chapter.

(b) Nothing in this chapter restricts any existing authority of the department or the commission to make changes to improve the management or design of existing MPAs or designate new MPAs prior to the completion of the master plan. The commission may abbreviate the master plan process to account for equivalent

1 activities that have taken place before enactment of this chapter,  
2 providing that those activities are consistent with this chapter.

3 SEC. 47. Section 3409 of the Fish and Game Code is repealed.

4 SEC. 48. Section 3864 of the Fish and Game Code is repealed.

5 SEC. 49. Section 4904 of the Fish and Game Code is repealed.

6 SEC. 50. Section 7862 of the Fish and Game Code is amended  
7 to read:

8 7862. A Commercial Salmon Trollers Advisory Committee  
9 shall be established consisting of six members selected by the  
10 director. One member shall be chosen from the personnel of the  
11 department. Four persons shall be selected, with alternates, from  
12 a list submitted by a fishermen's organization deemed to represent  
13 the commercial salmon fishermen of California. One member shall  
14 be selected, with an alternate, from lists submitted by individual  
15 commercial passenger fishing boat operators or by organizations  
16 deemed to represent the commercial passenger fishing boat  
17 operators of California. The term of appointment to the committee  
18 shall be for two years. Necessary and proper expenses, if any, and  
19 per diem shall be paid committee members from the special account  
20 created pursuant to subdivision (a) of Section 7861. The rate of  
21 per diem shall be the same as the rate established pursuant to  
22 Section 8902 of the Government Code.

23 The committee shall recommend programs and a budget from  
24 the special account to the department.

25 SEC. 51. Section 8610.10 of the Fish and Game Code is  
26 repealed.

27 SEC. 52. Section 12794.5 of the Food and Agricultural Code  
28 is repealed.

29 SEC. 53. Section 54446 of the Food and Agricultural Code is  
30 repealed.

31 SEC. 54. Section 58591 of the Food and Agricultural Code is  
32 repealed.

33 SEC. 55. Section 8164 of the Government Code is repealed.

34 SEC. 56. Section 8169.5 of the Government Code is amended  
35 to read:

36 8169.5. (a) In furtherance of the Capitol Area Plan, the  
37 objectives of Resolution Chapter 131 of the Statutes of 1991, and  
38 the legislative findings and declarations contained in Chapter 193  
39 of the Statutes of 1996, relative to the findings by the Urban Land  
40 Institute, the director may purchase, exchange, or otherwise acquire

1 real property and construct facilities, including any improvements,  
2 betterments, and related facilities, within the jurisdiction of the  
3 Capitol Area Plan in the City of Sacramento pursuant to this  
4 section. The total authorized scope of the project shall consist of  
5 up to approximately 1,470,200 gross square feet of office space  
6 and approximately 742,625 gross square feet of parking structures  
7 for use by the State Department of Education, the State Department  
8 of Health Care Services, the State Department of Public Health,  
9 and the Department of General Services as anchor tenants on blocks  
10 171, 172, 173, 174, and 225, along with related additional parking  
11 on block 224, within the Capitol area. The acquisition and  
12 construction authorized pursuant to this section may not cause the  
13 displacement of any state or legislative employee parking spaces  
14 in the blocks specified in this subdivision unless the Department  
15 of General Services makes available existing state-owned parking  
16 spaces, acquires parking spaces, or constructs replacement parking  
17 that results in the affected employees' parking spaces being located  
18 at a reasonable distance from their place of employment.

19 (b) Subject to paragraphs (2) and (3) of subdivision (c), the  
20 department may contract for the lease, lease-purchase, lease with  
21 an option to purchase, acquisition, design, design-build,  
22 construction, construction management, and other services related  
23 to the design and construction of the office and parking facilities  
24 authorized to be acquired pursuant to subdivision (a).

25 (c) (1) The State Public Works Board may issue revenue bonds,  
26 negotiable notes, or negotiable bond anticipation notes pursuant  
27 to Chapter 5 (commencing with Section 15830) of Part 10b of  
28 Division 3 to finance all costs associated with acquisition, design,  
29 and construction of office and parking facilities for the purposes  
30 of this section. The State Public Works Board and the department  
31 may borrow funds for project costs from the Pooled Money  
32 Investment Account pursuant to Sections 16312 and 16313. In the  
33 event the bonds authorized by the project are not sold, the State  
34 Department of Education, the State Department of Health Care  
35 Services, the State Department of Public Health, and the  
36 Department of General Services, as determined by the Department  
37 of Finance, shall commit a sufficient amount of their support  
38 appropriations to repay any loans made for the project from the  
39 Pooled Money Investment Account. It is the intent of the  
40 Legislature that this commitment shall be included in future Budget

1 Acts until all outstanding loans from the Pooled Money Investment  
2 Account are repaid either through the proceeds from the sale of  
3 bonds or from an appropriation.

4 (2) (A) If the department proposes to acquire the facilities on  
5 a design-build basis, prior to the department entering into an  
6 agreement pursuant to subdivision (b) to design and build the  
7 facilities on blocks 171, 172, 173, 174, and 225, as specified in  
8 subdivision (a), the department shall submit to the Legislature a  
9 copy of all documents that shall be the basis upon which bids will  
10 be solicited and awarded to design and build the facilities. The  
11 documents shall include the following:

12 (i) The request for qualifications.  
13 (ii) Site development guidelines.  
14 (iii) Architectural and all system design requirements for the  
15 facilities.

16 (iv) Notwithstanding any other provision of law, the  
17 recommended specific criteria and process by which the contractor  
18 shall be selected.

19 (v) The performance criteria and standards for the architecture  
20 and all components and systems of the facilities.

21 (B) The information in the documents shall be provided in at  
22 least as much detail as was prepared for the San Francisco Civic  
23 Center Complex project and shall cover the quality of materials,  
24 equipment, and workmanship to be used in the facilities. These  
25 documents shall also include a detailed and specific space program  
26 for the facilities that identifies the specific spatial needs of the state  
27 agencies.

28 (C) If the department proposes to contract for construction  
29 separate from design, the department shall, prior to commencing  
30 work on working drawings for the facilities on blocks 171, 172,  
31 173, 174, and 225, submit to the Legislature a copy of the  
32 preliminary plans for the facilities and a detailed and specific space  
33 program for the facilities that identifies the specific spatial needs  
34 of the state agencies.

35 (E) Regardless of how the department proposes to acquire the  
36 facilities, the department also shall submit all of the following  
37 information, which may be included in the bid documents:

38 (i) A final estimated cost for design, construction, and other  
39 costs.

1 (ii) How the department would manage the contracts entered  
2 into for this project to ensure compliance with contract  
3 requirements and to ensure that the state receives the highest level  
4 of quality workmanship and materials for the funds spent on the  
5 project.

6 (3) The department shall submit to the Legislature the  
7 information required to be submitted pursuant to paragraphs (2)  
8 and (6) on or before December 1, 1998. Except for those contracts  
9 and agreements necessary to prepare the information required by  
10 paragraphs (2) and (6), the department shall not solicit bids to enter  
11 into any agreement to design and build or otherwise acquire the  
12 facilities or commence work on working drawings on block 171,  
13 172, 173, 174, or 225 sooner than the later of April 1, 1999, or 120  
14 days after the department submits to the Legislature the information  
15 required to be submitted pursuant to paragraphs (2) and (6). The  
16 Legislative Analyst shall evaluate the information submitted to  
17 the Legislature and shall prepare a report to the Joint Committee  
18 on Rules within 60 days of receiving the documents submitted to  
19 the Legislature. It is the intent of the Legislature that the Joint  
20 Committee on Rules meet prior to the date the department is  
21 authorized to solicit bids to design and build or otherwise acquire  
22 the facilities or commence work on working drawings for the  
23 purposes of discussing the report from the Legislative Analyst and  
24 adopting a report with any recommendations to the department on  
25 changes to the site design criteria, performance criteria, and  
26 specifications and specific criteria for determining the winning  
27 bidder. If the Joint Committee on Rules adopts a report prior to  
28 the date the department is authorized to solicit bids to design and  
29 build or otherwise acquire the facilities or commence work on  
30 working drawings, the department may solicit the bids or  
31 commence the work when the report is adopted by the Joint  
32 Committee on Rules. The Senate Committee on Rules and the  
33 Speaker of the Assembly may designate members of their  
34 respective houses to monitor the progress of the preparation of the  
35 documents to be submitted pursuant to paragraph (2). The  
36 department shall prepare periodic progress reports and meet with  
37 the designated members or their representatives, as necessary,  
38 while preparing the documents.

39 (4) The amount of revenue bonds, negotiable notes, or negotiable  
40 bond anticipation notes to be sold may equal, but shall not exceed,

1 the cost of planning, preliminary plans, working drawings,  
2 construction, construction management and supervision, other  
3 costs relating to the design and construction of the facilities, and  
4 any additional sums necessary to pay interim and permanent  
5 financing costs. The additional amount may include interest and  
6 a reasonable required reserve fund.

7 (5) Authorized costs of the facilities for preliminary plans,  
8 working drawings, construction, and other costs shall not exceed  
9 three hundred ninety-two million dollars (\$392,000,000).  
10 Notwithstanding Section 13332.11, the State Public Works Board  
11 may authorize the augmentation of the amount authorized under  
12 this paragraph by up to 10 percent of the amount authorized.

13 (6) The net present value of the cost to acquire and operate the  
14 facilities authorized by subdivision (a) may not exceed the net  
15 present value of the cost to lease and operate an equivalent amount  
16 of comparable office space over the same time period. The  
17 department shall perform this analysis and shall obtain interest  
18 rates, discount rates, and Consumer Price Index figures from the  
19 Treasurer and submit its analysis with the documents submitted  
20 pursuant to paragraph (2) of subdivision (c). For purposes of this  
21 analysis, the department shall compare the cost of acquiring and  
22 operating the proposed facilities with the avoided cost of leasing  
23 and operating an equivalent amount of comparable office space  
24 that will no longer need to be leased because either (A) agencies  
25 will no longer occupy currently leased facilities when they occupy  
26 the proposed facilities, or (B) agencies will no longer occupy  
27 currently leased facilities when they occupy state-owned space  
28 being vacated by state agencies occupying the proposed facilities.  
29 The analysis shall also include the cost of any unique improvement  
30 associated with the moving of an agency into any state-owned  
31 space that would be vacated by agencies moving into the proposed  
32 facilities. However, these costs shall not include the cost of  
33 renovating or modernizing vacated state-owned space that is  
34 necessary to accommodate state agencies in general purpose office  
35 space. This paragraph shall not be construed as authorizing any  
36 renovation of state-owned space.

37 (d) The director may execute and deliver a contract with the  
38 State Public Works Board for the lease of the facilities described  
39 in this section that are financed with the proceeds of the board's

1 bonds, notes, or bond anticipation notes issued in accordance with  
2 this section.

3 SEC. 57. Section 8587.5 of the Government Code is amended  
4 to read:

5 8587.5. (a) The Department of Transportation shall, in  
6 cooperation with interested cities with Traffic Signal Override  
7 Systems, apply to the United States Secretary of Transportation  
8 for federal funding to conduct a research program in one or more  
9 cities to test the effectiveness of the installation of signal emitters  
10 and sensors in emergency response vehicles in reducing accidents  
11 and injuries.

12 (b) The project shall study the reduction in accidents and injuries  
13 involving emergency response vehicles in the program areas, shall,  
14 if possible, assess any reduction in response times by emergency  
15 response vehicles in the program areas, and may study other  
16 valuable data as deemed appropriate.

17 (c) The application shall seek full federal funding for the project,  
18 including the evaluation component. If the United States Secretary  
19 of Transportation requires a nonfederal share of funding, the  
20 participating local governments shall pay this share equally.

21 (d) The department shall apply for federal funding within six  
22 months of the effective date of this section unless good cause exists  
23 to apply later or not to apply.

24 SEC. 58. Section 11535 of the Government Code, as amended  
25 by Chapter 147 of the Statutes of 2012, is repealed.

26 SEC. 59. Article 3 (commencing with Section 11675) of  
27 Chapter 6 of Part 1 of Division 3 of Title 2 of the Government  
28 Code is repealed.

29 SEC. 60. Section 12805.4 of the Government Code is repealed.

30 SEC. 61. Section 13103.5 of the Government Code is amended  
31 to read:

32 13103.5. The department may perform audits, as it deems  
33 necessary, of the allocations or expenditures made in accordance  
34 with Article XIX B of the California Constitution.

35 SEC. 62. Section 14051 of the Government Code is repealed.

36 SEC. 63. Section 14453 of the Government Code is amended  
37 to read:

38 14453. The department's role in this program shall be limited  
39 to research and development. The department shall consider the



1 following guidelines in evaluating and selecting a site for a research  
2 and development center:

3 (a) Sources of funding for the center, with the stipulation that  
4 the state's funding share does not exceed one-third of the total  
5 costs of the center, with the remaining funds provided from local,  
6 federal, and private sources. The department shall seek to maximize  
7 private participation in the funding of a center, and state funds  
8 shall be expended only for facilities to be used by the state to be  
9 located on real property owned by the state, including acquisition  
10 of real property to be owned by the state in fee simple or pursuant  
11 to a lease-purchase contract.

12 (b) Accessibility to the center by rail or bus service operating  
13 at frequency headways of not less than one-half hour during peak  
14 commute hours.

15 (c) Other criteria to be used in the evaluation of a site for the  
16 center, which shall include, but not be limited to, the following:

17 (1) The ability of the project to enhance environmental quality,  
18 including the dedication of open space for preservation of open  
19 space, wetlands, and other wildlife habitat.

20 (2) The ability of the project to rely on existing infrastructure,  
21 including water and sewer hookups to existing systems and access  
22 by existing roads and transit systems, or alternatively, an assurance  
23 by the local jurisdiction or jurisdictions that an infrastructure  
24 development plan has been adopted which provides for the timely  
25 construction of necessary infrastructure and which is fully funded.

26 (3) The extent to which the project will result in the least cost  
27 to public agencies, direct and indirect, including costs incurred by  
28 state and local agencies other than the department.

29 (4) The extent to which the project provides a return on  
30 investment of public funds to public agencies.

31 (d) Contracting for consultant services to assist it in selecting  
32 a site for a center.

33 (e) Receiving and evaluating proposals for the center, to be  
34 ranked in priority order consistent with this section.

35 (f) Not committing any state funds to the project other than for  
36 the development of a request for proposals and the evaluation of  
37 proposals received in response to the request, unless funds are  
38 specifically appropriated as a separate item in the annual Budget  
39 Act for the financing, planning, design, and construction of the  
40 center.

(g) Construction of the center shall be subject to prevailing wage laws and minority enterprise and women business enterprise participation laws applicable to the department's highway construction projects.

SEC. 64. Section 14556.36 of the Government Code is repealed.

SEC. 65. Section 14613.7 of the Government Code is amended to read:

14613.7. Each state agency that is protected by the Department of the California Highway Patrol, those state agencies currently being protected by contract private security companies, or those state agencies currently under contract with a local governmental law enforcement agency for general law enforcement services, excluding all current mutual aid agreements, shall, as soon as practical, report to the Department of the California Highway Patrol all crimes and criminally caused property damage on state-owned or state-leased property where state employees are discharging their duties. This section shall not apply to incidents that result in the filing of Incidence Memoranda issued by the Parole Divisions of the Department of Corrections and the Department of the Youth Authority.

SEC. 66. Section 14714 of the Government Code is repealed.

SEC. 67. Article 5 (commencing with Section 14760) of Chapter 5 of Part 5.5 of Division 3 of Title 2 of the Government Code is repealed.

SEC. 68. Section 15438.6 of the Government Code is amended to read:

15438.6. (a) This section shall be known, and may be cited, as the Cedillo-Alarcon Community Clinic Investment Act of 2000.

(b) The Legislature finds and declares all of the following:

(1) Primary care clinics require capital improvements in order to continuously perform their vital role. Many primary care clinics are currently at capacity and in order to increase access to their services and allow them to expand to cover the growing need for health care for the vulnerable populations in California, these capital funds are necessary.

(2) Primary care clinics are the health care safety net for the most vulnerable populations in California: uninsured, underinsured, indigent, and those in shortage designation areas. Primary care

1 clinics provide health care regardless of the ability to pay for  
2 services.

3 (3) Approximately 6.6 million Californians lack health  
4 insurance, a number that increases by 50,000 per month.

5 (4) Primary care clinics have been historically and woefully  
6 underfunded.

7 (5) Primary care clinics are the most cost-effective means of  
8 serving California's vulnerable populations.

9 (6) The failure to adequately fund primary care clinics has  
10 resulted in significant costs to the state in the form of unnecessary  
11 emergency room visits. Also, the lack of preventive care results  
12 in significant costs when patients become severely ill.

13 (c) The authority may award grants to any eligible clinic, as  
14 defined in subdivision (a) of Section 1204 and subdivision (c) of  
15 Section 1206 of the Health and Safety Code, for purposes of  
16 financing capital outlay projects, as defined in subdivision (f) of  
17 Section 15432.

18 (d) The authority, in consultation with representatives of primary  
19 care clinics and other appropriate parties, shall develop selection  
20 criteria and a process for awarding grants under this section. The  
21 authority may take into account at least the following factors when  
22 selecting recipients and determining amount of grants:

23 (1) The percentage of total expenditures attributable to  
24 uncompensated care provided by an applicant.

25 (2) The extent to which the grant will contribute toward  
26 expansion of health care access by indigent, underserved, and  
27 uninsured populations.

28 (3) The need for the grant based on an applicant's total net  
29 assets, relative to net assets of other applicants. For purposes of  
30 this section, "total net assets" means the amount of total assets  
31 minus total liabilities, as disclosed in an audited financial statement  
32 prepared according to United States Generally Accepted  
33 Accounting Principles, and shall include unrestricted net assets,  
34 temporarily restricted net assets, and permanently restricted net  
35 assets.

36 (4) The geographic location of the applicant, in order to  
37 maximize broad geographic distribution of funding.

38 (5) Demonstration by the applicant of project readiness and  
39 feasibility to the authority's satisfaction.

1 (6) The total amount of funds appropriated and available for  
2 purposes of this section.

3 (e) No grant to any clinic facility shall exceed two hundred fifty  
4 thousand dollars (\$250,000).

5 (f) In no event shall a grant to finance a project exceed the total  
6 cost of the project, as determined by the clinic and approved by  
7 the authority. Grants shall be awarded only to clinics that have  
8 certified to the authority that all requirements established by the  
9 authority for grantees have been met.

10 (g) All projects that are awarded grants shall be completed  
11 within a reasonable period of time, to be determined by the  
12 authority. No funds shall be released by the authority until the  
13 applicant demonstrates project readiness to the authority's  
14 satisfaction. If the authority determines that the clinic has failed  
15 to complete the project under the terms specified in awarding the  
16 grant, the authority may require remedies, including the return of  
17 all or a portion of the grant. Certification of project completion  
18 shall be submitted to the authority by any clinic receiving a grant  
19 under this section.

20 (h) Any clinic receiving a grant under this section shall commit  
21 to using the health facility for the purposes for which the grant  
22 was awarded for the duration of the expected life of the project.

23 (i) It is the intent of the Legislature that the California Health  
24 Facilities Financing Authority be reimbursed for the costs of the  
25 administration of the implementation of this section from funds  
26 appropriated for the purposes of this section.

27 SEC. 69. Section 15813.6 of the Government Code is repealed.

28 SEC. 70. Section 16367.5 of the Government Code is amended  
29 to read:

30 16367.5. The Department of Community Services and  
31 Development shall receive and administer the federal Low-Income  
32 Home Energy Assistance Program Block Grant, provided for  
33 pursuant to the Low-Income Home Energy Assistance Act of 1981,  
34 as amended (42 U.S.C. Sec. 8621 et seq.). The department shall  
35 afford local service providers maximum flexibility and control,  
36 within the parameters of federal and state law, in the planning,  
37 administration, and delivery of Low-Income Home Energy  
38 Assistance Program Block Grant services. Local service providers  
39 shall be defined as private, nonprofit, and public agencies  
40 designated in accordance with Public Law 97-35, as amended. The

1 formation of service regions beyond those that were in place in  
2 1995, or those that were in place in Los Angeles County in January  
3 1997, shall occur only with the concurrence of service providers  
4 within the proposed regions. The department shall allocate funds  
5 received as follows:

6 (a) For federal fiscal year 1998, up to 7.3 percent of the state's  
7 total federal allocation for the Low-Income Home Energy  
8 Assistance Program shall be retained by the Department of  
9 Community Services and Development for purposes of overall  
10 planning and administration. The department shall spend at least  
11 2.3 percent of this 7.3 percent on activities to improve the  
12 administrative efficiency of the program. At least 2.7 percent of  
13 the state's total federal allocation of the Low-Income Home Energy  
14 Assistance Program shall be allocated to local service providers  
15 for purposes of planning and administration.

16 For federal fiscal year 1999, up to 6 percent of the state's total  
17 federal allocation of the Low-Income Home Energy Assistance  
18 Program shall be retained by the Department of Community  
19 Services and Development for purposes of overall planning and  
20 administration. The department shall spend at least 1 percent of  
21 this 6 percent on activities to improve the administrative efficiency  
22 of the program. At least 4 percent of the state's total federal  
23 allocation for the Low-Income Home Energy Assistance Program  
24 shall be allocated to local service providers for purposes of  
25 planning and administration.

26 Beginning in federal fiscal year 2000, up to 5 percent of the  
27 state's total federal allocation for the Low-Income Home Energy  
28 Assistance Program shall be retained by the Department of  
29 Community Services and Development for purposes of overall  
30 planning and administration. At least 5 percent of the state's total  
31 federal allocation for the Low-Income Home Energy Assistance  
32 Program shall be allocated to local service providers for purposes  
33 of planning and administration.

34 Upon achievement of administrative efficiencies, or no later than  
35 June 30, 2001, the department and the local service providers  
36 committee established pursuant to subdivision (j) shall examine  
37 the appropriate split of administrative funding between the state  
38 and local services providers necessary to achieve the intent of  
39 federal law regarding the Low-Income Home Energy Assistance  
40 Program. The department shall not retain more than 5 percent of

1 the state's total federal allocation for the Low-Income Home  
2 Energy Assistance Program.

3 (b) Services under this section shall be available to households  
4 in which one or more individuals are receiving:

5 (1) Temporary Assistance for Needy Families under the state's  
6 plan approved under Public Law 104-193, the Personal  
7 Responsibility and Work Opportunity Reconciliation Act of 1996,  
8 and Chapter 2 (commencing with Section 11200) of Part 3 of  
9 Division 9 of the Welfare and Institutions Code.

10 (2) Supplemental Security Income payments under Title XVI  
11 of the federal Social Security Act (42 U.S.C. Sec. 1381 et seq.)  
12 and Chapter 3 (commencing with Section 12000) of Part 3 of  
13 Division 9 of the Welfare and Institutions Code.

14 (3) County general assistance under Part 5 (commencing with  
15 Section 17000) of Division 9 of the Welfare and Institutions Code.

16 (4) CalFresh benefits received under the federal Supplemental  
17 Nutrition Assistance Program of the federal Food and Nutrition  
18 Act of 2008 pursuant to Chapter 10 (commencing with Section  
19 18900) of Part 6 of Division 9 of the Welfare and Institutions Code.

20 (5) Payments under Section 415, 521, 541, or 542 of Title 38  
21 of the United States Code, or under Section 306 of the Veterans'  
22 and Survivors' Pension Improvement Act of 1978.

23 (6) Households with incomes that do not exceed the greater of:

24 (A) An amount equal to 150 percent of the poverty level for  
25 this state.

26 (B) An amount equal to 60 percent of the state median income,  
27 except that no household may be excluded from eligibility solely  
28 on the basis of household income if that income is less than 110  
29 percent of the poverty level for this state, but priority may be given  
30 to those households with the highest home energy costs or needs  
31 in relation to household income.

32 (c) An amount of not less than 15 percent and up to the  
33 maximum allowed by federal law of the total federal allocation  
34 shall be allocated for weatherization services for eligible  
35 individuals. For each program year, to the extent that the state is  
36 eligible, the Department of Community Services and Development  
37 shall apply to the appropriate federal agencies for any waivers that  
38 may be necessary to ensure that the amount available for the  
39 purposes of this subdivision will be the maximum amount  
40 allowable under federal law. For the purposes of this subdivision,

1 weatherization shall include all energy conservation measures and  
2 energy efficient appliances that are cost effective and improve  
3 energy efficiency. The department shall allocate 5 percent of the  
4 weatherization program allocation to local service providers for  
5 outreach and related activities.

6 (d) At the discretion of local service providers, the state shall  
7 allocate the maximum amount allowable under federal law to local  
8 service providers to provide services that encourage and enable  
9 households to reduce their home energy needs, thus reducing the  
10 need for energy assistance, including needs assessments,  
11 counseling, and assistance with energy vendors, in accordance  
12 with Section 2605(b)(16) of Public Law 97-35, as amended.

13 (e) Based on data from prior years, a reasonable amount of  
14 available funds, as determined jointly by the department and the  
15 local service providers, shall be reserved until March 15 of each  
16 program year for the Energy Crisis Intervention Program. Local  
17 service providers shall submit proposed funding levels with  
18 supporting data to the department in a timely manner for inclusion  
19 in the state plan. The department shall approve local funding  
20 requests that are determined to be in compliance with federal law.  
21 These funds shall only be used for emergency assistance to eligible  
22 individuals for programs specified in this subdivision, who give  
23 evidence of one or more of the following conditions:

- 24 (1) Proof of utility shutoff notice.
- 25 (2) Proof of energy termination.
- 26 (3) Insufficient funds to establish a new energy account.
- 27 (4) Insufficient funds to pay a delinquent utility bill.
- 28 (5) Insufficient funds to pay the cost of space heating devices  
29 where no alternative source of space heating is reasonably  
30 available.
- 31 (6) Insufficient funds to pay for essential firewood, oil, or  
32 propane.
- 33 (7) Insufficient funds to pay for the cost of emergency repairs  
34 to heating and cooling units, the emergency replacement of heating  
35 and cooling units, or both.
- 36 (8) Insufficient funds to pay energy costs for a household where  
37 a household member's medical condition requires use of life  
38 support or climate and temperature control systems.
- 39 (9) Other conditions that may be included in the state plan.

1 The energy crisis intervention program shall not include  
2 advocacy, community mobilization, or community planning. After  
3 March 15 of each program year, local administrative agencies shall  
4 have the option of continuing to offer energy crisis intervention  
5 services or of reallocating a portion of or all unspent energy crisis  
6 intervention funds into direct assistance payment services.

7 The department shall allocate 5 percent of the energy crisis  
8 intervention program allocation to the local service providers for  
9 outreach and related services.

10 The Department of Community Services and Development shall  
11 retain all funds associated with Energy Crisis Intervention Program  
12 payments for gas and electric utility service, and shall make  
13 payments for eligible households' gas or electric service accounts  
14 directly to the utilities. The department may use alternative  
15 payment methods when direct payments to the utilities have not  
16 been arranged.

17 (f) The remainder of the total federal allocation shall be utilized  
18 for aid for home energy costs for direct assistance payments. The  
19 department shall retain all funds associated with Home Energy  
20 Assistance Program direct assistance payments for gas and electric  
21 utility service, and shall make payments for eligible households'  
22 gas or electric service accounts directly to the utilities. The  
23 department may use alternative payment methods when direct  
24 payments to the utilities have not been arranged.

25 (g) The Department of Community Services and Development  
26 shall contract with local public or private nonprofit agencies, or  
27 both, to provide outreach, intake, and other activities to enroll  
28 eligible individuals in the program components prescribed by this  
29 section.

30 (h) The program components provided for in this section shall  
31 include activities to enroll households that have the highest home  
32 energy needs as determined by taking into account both the energy  
33 burden of these households, and the unique situation of these  
34 households that results from having members of vulnerable  
35 populations, including very young children, individuals with  
36 disabilities, and frail older individuals, as provided for by Section  
37 2603(3) of Public Law 97-35, as amended, and to educate recipients  
38 about general energy conservation practices and about the  
39 availability of state and utility programs for free weatherization  
40 of low-income homes.



1 (i) The department shall allocate 5 percent of the direct  
2 assistance payment funds to the local service providers for outreach  
3 and related services in operating the direct home energy assistance  
4 payment program.

5 (j) The department shall establish a local service providers  
6 committee to act in an advisory capacity in the development of  
7 the annual Low-Income Home Energy Assistance Program state  
8 plan. The membership of the committee shall include one voting  
9 representative chosen by each local service provider that has a  
10 Low-Income Home Energy Assistance Program contract with the  
11 state and one representative of each interested utility company.  
12 Each local service provider may, at its option, assign its vote in  
13 writing to another entity, such as a provider association, to  
14 represent its interests.

15 SEC. 71. Section 16428.6 of the Government Code is amended  
16 to read:

17 16428.6. The Attorney General shall promptly notify the  
18 Director of Finance, Senate President pro Tempore, and the Speaker  
19 of the Assembly upon agreeing on behalf of the state to an energy  
20 settlement agreement. Notification shall include a description of  
21 how the terms of the settlement agreement, as they pertain to the  
22 state, are consistent with the purposes of this article.

23 SEC. 72. Section 17562 of the Government Code is amended  
24 to read:

25 17562. (a) The Legislature hereby finds and declares that the  
26 increasing revenue constraints on state and local government and  
27 the increasing costs of financing state-mandated local programs  
28 make evaluation of state-mandated local programs imperative.  
29 Accordingly, it is the intent of the Legislature to increase  
30 information regarding state mandates and establish a method for  
31 regularly reviewing the costs and benefits of state-mandated local  
32 programs.

33 (b) (1) The Controller shall submit a report to the Joint  
34 Legislative Budget Committee and fiscal committees by October  
35 31 of each fiscal year beginning with the 2007–08 fiscal year. This  
36 report shall summarize, by state mandate, the total amount of  
37 claims paid per fiscal year and the amount, if any, of mandate  
38 deficiencies or surpluses. This report shall be made available in  
39 an electronic spreadsheet format.

(2) The Controller shall submit a report to the Joint Legislative Budget Committee, the applicable fiscal committees, and the Director of Finance by April 30 of each fiscal year. This report shall summarize, by state mandate, the total amount of unpaid claims by fiscal year that were submitted before April 1 of that fiscal year. The report shall also summarize any mandate deficiencies or surpluses. It shall be made available in an electronic spreadsheet, and shall be used for the purpose of determining the state's payment obligation under paragraph (1) of subdivision (b) of Section 6 of Article XIII B of the California Constitution.

(c) After the commission submits its second semiannual report to the Legislature pursuant to Section 17600, the Legislative Analyst shall submit a report to the Joint Legislative Budget Committee and legislative fiscal committees on the mandates included in the commission's reports. The report shall make recommendations as to whether the mandate should be repealed, funded, suspended, or modified.

(d) In its annual analysis of the Budget Bill and based on information provided pursuant to subdivision (b), the Legislative Analyst shall report total annual state costs for mandated programs and, as appropriate, provide an analysis of specific mandates and make recommendations on whether the mandate should be repealed, funded, suspended, or modified.

(e) (1) A statewide association of local agencies or school districts or a Member of the Legislature may submit a proposal to the Legislature recommending the elimination or modification of a state-mandated local program. To make such a proposal, the association or member shall submit a letter to the Chairs of the Assembly Committee on Education or the Assembly Committee on Local Government, as the case may be, and the Senate Committee on Education or the Senate Committee on Local Government, as the case may be, specifying the mandate and the concerns and recommendations regarding the mandate. The association or member shall include in the proposal all information relevant to the conclusions. If the chairs of the committees desire additional analysis of the submitted proposal, the chairs may refer the proposal to the Legislative Analyst for review and comment. The chairs of the committees may refer up to a total of 10 of these proposals to the Legislative Analyst for review in any year.

1 Referrals shall be submitted to the Legislative Analyst by  
2 December 1 of each year.

3 (2) The Legislative Analyst shall review and report to the  
4 Legislature with regard to each proposal that is referred to the  
5 office pursuant to paragraph (1). The Legislative Analyst shall  
6 recommend that the Legislature adopt, reject, or modify the  
7 proposal. The report and recommendations shall be submitted  
8 annually to the Legislature by March 1 of the year subsequent to  
9 the year in which referrals are submitted to the Legislative Analyst.

10 (f) It is the intent of the Legislature that the Assembly  
11 Committee on Local Government and the Senate Committee on  
12 Local Government hold a joint hearing each year regarding the  
13 following:

14 (1) The reports and recommendations submitted pursuant to  
15 subdivision (e).

16 (2) The reports submitted pursuant to Sections 17570, 17600,  
17 and 17601.

18 (3) Legislation to continue, eliminate, or modify any provision  
19 of law reviewed pursuant to this subdivision. The legislation may  
20 be by subject area or by year or years of enactment.

21 SEC. 73. Section 19849.11 of the Government Code is amended  
22 to read:

23 19849.11. The Department of Personnel Administration, subject  
24 to such conditions as it may establish, subject to existing statutes  
25 governing health benefits and group term life insurance offered  
26 through the Public Employees' Retirement System, and subject to  
27 all other applicable provisions of state law, may enter into contracts  
28 for the purchase of employee benefits with respect to managerial  
29 and confidential employees as defined by subdivisions (e) and (f)  
30 of Section 3513, and employees excluded from the definition of  
31 state employee in subdivision (c) of Section 3513, and officers or  
32 employees of the executive branch of government who are not  
33 members of the civil service, and supervisory employees as defined  
34 in subdivision (g) of Section 3513. Benefits shall include, but not  
35 be limited to, group life insurance, group disability insurance,  
36 long-term disability insurance, group automobile liability and  
37 physical damage insurance, and homeowners' and renters'  
38 insurance.

39 The department may self-insure the long-term disability  
40 insurance program if it is cost-effective to do so.

1 SEC. 74. Section 20233 of the Government Code is repealed.

2 SEC. 75. Section 20238 of the Government Code is repealed.

3 SEC. 76. Section 22959.6 of the Government Code is amended  
4 to read:

5 22959.6. (a) The Department of Personnel Administration  
6 may contract with one or more vision care plans for annuitants  
7 and eligible family members, provided the carrier or carriers have  
8 operated successfully in the area of vision care benefits for a  
9 reasonable period, as determined by the Department of Personnel  
10 Administration.

11 (b) The Department of Personnel Administration, as the program  
12 administrator, has full administrative authority over this program  
13 and associated funds and shall require the monthly premium to be  
14 paid by the annuitant for the vision care plan. The premium to be  
15 paid by the annuitant shall be deducted from his or her monthly  
16 allowance. If there are insufficient funds in an annuitant's  
17 allowance to pay the premium, the plan provider shall directly bill  
18 the annuitant. A vision care plan or plans provided under this  
19 authority shall be funded by the annuitants' premium. All premiums  
20 received from annuitants shall be deposited in the Vision Care  
21 Program for State Annuitants Fund, which is hereby created in the  
22 State Treasury. Any income earned on the moneys in the Vision  
23 Care Program for State Annuitants Fund shall be credited to the  
24 fund. Notwithstanding Section 13340, moneys in the fund are  
25 continuously appropriated for the purposes specified in subdivision  
26 (d).

27 (c) An annuitant may enroll in a vision care plan provided by  
28 a carrier that also provides a health benefit plan pursuant to Section  
29 22850 if the employee or annuitant is also enrolled in the health  
30 benefit plan provided by that carrier. However, nothing in this  
31 section may be construed to require an annuitant to enroll in a  
32 vision care plan and a health benefit plan provided by the same  
33 carrier. An annuitant enrolled in this program shall only enroll into  
34 a vision plan or vision plans contracted for by the Department of  
35 Personnel Administration.

36 (d) No contract for a vision care plan may be entered into unless  
37 the Department of Personnel Administration determines it is  
38 reasonable to do so. Notwithstanding any other provision of law,  
39 any premium moneys paid into this program by annuitants for the  
40 purposes of the annuitant vision care plan that is contracted for

1 shall be used for the cost of providing vision care benefits to  
2 eligible, enrolled annuitants and their eligible and enrolled  
3 dependents, the payment of claims for those vision benefits, and  
4 the cost of administration of the vision care plan or plans under  
5 this vision care program, those costs being determined by the  
6 Department of Personnel Administration.

7 (e) If the Director of the Department of Personnel  
8 Administration determines that it is not economically feasible to  
9 continue this program anytime after its commencement, the director  
10 may, upon written notice to enrollees and to the contracting plan  
11 or plans, terminate this program within a reasonable time. The  
12 notice of termination to the plan or plans shall be determined by  
13 the Department of Personnel Administration. The notice to  
14 enrollees of the termination of the program shall commence no  
15 later than three months prior to the actual date of termination of  
16 the program.

17 (f) Premium rates for this program shall be determined by the  
18 Department of Personnel Administration in conjunction with the  
19 contracted plan or plans and shall be considered separate and apart  
20 from active employee premium rates.

21 SEC. 77. Section 30061 of the Government Code is amended  
22 to read:

23 30061. (a) There shall be established in each county treasury  
24 a Supplemental Law Enforcement Services Account (SLESA), to  
25 receive all amounts allocated to a county for purposes of  
26 implementing this chapter.

27 (b) In any fiscal year for which a county receives moneys to be  
28 expended for the implementation of this chapter, the county auditor  
29 shall allocate the moneys in the county's SLESA within 30 days  
30 of the deposit of those moneys into the fund. The moneys shall be  
31 allocated as follows:

32 (1) Five and fifteen-hundredths percent to the county sheriff for  
33 county jail construction and operation. In the case of Madera,  
34 Napa, and Santa Clara Counties, this allocation shall be made to  
35 the county director or chief of corrections.

36 (2) Five and fifteen-hundredths percent to the district attorney  
37 for criminal prosecution.

38 (3) Thirty-nine and seven-tenths percent to the county and the  
39 cities within the county, and, in the case of San Mateo, Kern,  
40 Siskiyou, and Contra Costa Counties, also to the Broadmoor Police

1 Protection District, the Bear Valley Community Services District,  
2 the Stallion Springs Community Services District, the Lake  
3 Shastina Community Services District, and the Kensington Police  
4 Protection and Community Services District, in accordance with  
5 the relative population of the cities within the county and the  
6 unincorporated area of the county, and the Broadmoor Police  
7 Protection District in the County of San Mateo, the Bear Valley  
8 Community Services District and the Stallion Springs Community  
9 Services District in Kern County, the Lake Shastina Community  
10 Services District in Siskiyou County, and the Kensington Police  
11 Protection and Community Services District in Contra Costa  
12 County, as specified in the most recent January estimate by the  
13 population research unit of the Department of Finance, and as  
14 adjusted to provide, except as provided in subdivision (j), a grant  
15 of at least one hundred thousand dollars (\$100,000) to each law  
16 enforcement jurisdiction. For a newly incorporated city whose  
17 population estimate is not published by the Department of Finance,  
18 but that was incorporated prior to July 1 of the fiscal year in which  
19 an allocation from the SLESA is to be made, the city manager, or  
20 an appointee of the legislative body, if a city manager is not  
21 available, and the county administrative or executive officer shall  
22 prepare a joint notification to the Department of Finance and the  
23 county auditor with a population estimate reduction of the  
24 unincorporated area of the county equal to the population of the  
25 newly incorporated city by July 15, or within 15 days after the  
26 Budget Act is enacted, of the fiscal year in which an allocation  
27 from the SLESA is to be made. No person residing within the  
28 Broadmoor Police Protection District, the Bear Valley Community  
29 Services District, the Stallion Springs Community Services District,  
30 the Lake Shastina Community Services District, or the Kensington  
31 Police Protection and Community Services District shall also be  
32 counted as residing within the unincorporated area of the County  
33 of San Mateo, Kern, Siskiyou, or Contra Costa, or within any city  
34 located within those counties. Except as provided in subdivision  
35 (j), the county auditor shall allocate a grant of at least one hundred  
36 thousand dollars (\$100,000) to each law enforcement jurisdiction.  
37 Moneys allocated to the county pursuant to this subdivision shall  
38 be retained in the county SLESA, and moneys allocated to a city  
39 pursuant to this subdivision shall be deposited in an SLESA  
40 established in the city treasury.

(4) Fifty percent to the county or city and county to implement a comprehensive multiagency juvenile justice plan as provided in this paragraph. The juvenile justice plan shall be developed by the local juvenile justice coordinating council in each county and city and county with the membership described in Section 749.22 of the Welfare and Institutions Code. If a plan has been previously approved by the Corrections Standards Authority or, commencing July 1, 2012, by the Board of State and Community Corrections, the plan shall be reviewed and modified annually by the council. The plan or modified plan shall be approved by the county board of supervisors, and in the case of a city and county, the plan shall also be approved by the mayor. The plan or modified plan shall be submitted to the Board of State and Community Corrections by May 1 of each year.

(A) Juvenile justice plans shall include, but not be limited to, all of the following components:

(i) An assessment of existing law enforcement, probation, education, mental health, health, social services, drug and alcohol, and youth services resources that specifically target at-risk juveniles, juvenile offenders, and their families.

(ii) An identification and prioritization of the neighborhoods, schools, and other areas in the community that face a significant public safety risk from juvenile crime, such as gang activity, daylight burglary, late-night robbery, vandalism, truancy, controlled substances sales, firearm-related violence, and juvenile substance abuse and alcohol use.

(iii) A local juvenile justice action strategy that provides for a continuum of responses to juvenile crime and delinquency and demonstrates a collaborative and integrated approach for implementing a system of swift, certain, and graduated responses for at-risk youth and juvenile offenders.

(iv) Programs identified in clause (iii) that are proposed to be funded pursuant to this subparagraph, including the projected amount of funding for each program.

(B) Programs proposed to be funded shall satisfy all of the following requirements:

(i) Be based on programs and approaches that have been demonstrated to be effective in reducing delinquency and addressing juvenile crime for any elements of response to juvenile

1 crime and delinquency, including prevention, intervention,  
2 suppression, and incapacitation.

3 (ii) Collaborate and integrate services of all the resources set  
4 forth in clause (i) of subparagraph (A), to the extent appropriate.

5 (iii) Employ information sharing systems to ensure that county  
6 actions are fully coordinated, and designed to provide data for  
7 measuring the success of juvenile justice programs and strategies.

8 (iv) Adopt goals related to the outcome measures that shall be  
9 used to determine the effectiveness of the local juvenile justice  
10 action strategy.

11 (C) The plan shall also identify the specific objectives of the  
12 programs proposed for funding and specified outcome measures  
13 to determine the effectiveness of the programs and contain an  
14 accounting for all program participants, including those who do  
15 not complete the programs. Outcome measures of the programs  
16 proposed to be funded shall include, but not be limited to, all of  
17 the following:

18 (i) The rate of juvenile arrests per 100,000 population.

19 (ii) The rate of successful completion of probation.

20 (iii) The rate of successful completion of restitution and  
21 court-ordered community service responsibilities.

22 (iv) Arrest, incarceration, and probation violation rates of  
23 program participants.

24 (v) Quantification of the annual per capita costs of the program.

25 (D) The Board of State and Community Corrections shall review  
26 plans or modified plans submitted pursuant to this paragraph within  
27 30 days upon receipt of submitted or resubmitted plans or modified  
28 plans. The board shall approve only those plans or modified plans  
29 that fulfill the requirements of this paragraph, and shall advise a  
30 submitting county or city and county immediately upon the  
31 approval of its plan or modified plan. The board shall offer, and  
32 provide, if requested, technical assistance to any county or city  
33 and county that submits a plan or modified plan not in compliance  
34 with the requirements of this paragraph. The SLESA shall only  
35 allocate funding pursuant to this paragraph upon notification from  
36 the board that a plan or modified plan has been approved.

37 (c) Subject to subdivision (d), for each fiscal year in which the  
38 county, each city, the Broadmoor Police Protection District, the  
39 Bear Valley Community Services District, the Stallion Springs  
40 Community Services District, the Lake Shastina Community



1 Services District, and the Kensington Police Protection and  
2 Community Services District receive moneys pursuant to paragraph  
3 (3) of subdivision (b), the county, each city, and each district  
4 specified in this subdivision shall appropriate those moneys in  
5 accordance with the following procedures:

6 (1) In the case of the county, the county board of supervisors  
7 shall appropriate existing and anticipated moneys exclusively to  
8 provide frontline law enforcement services, other than those  
9 services specified in paragraphs (1) and (2) of subdivision (b), in  
10 the unincorporated areas of the county, in response to written  
11 requests submitted to the board by the county sheriff and the district  
12 attorney. Any request submitted pursuant to this paragraph shall  
13 specify the frontline law enforcement needs of the requesting  
14 entity, and those personnel, equipment, and programs that are  
15 necessary to meet those needs.

16 (2) In the case of a city, the city council shall appropriate  
17 existing and anticipated moneys exclusively to fund frontline  
18 municipal police services, in accordance with written requests  
19 submitted by the chief of police of that city or the chief  
20 administrator of the law enforcement agency that provides police  
21 services for that city.

22 (3) In the case of the Broadmoor Police Protection District  
23 within the County of San Mateo, the Bear Valley Community  
24 Services District or the Stallion Springs Community Services  
25 District within Kern County, the Lake Shastina Community  
26 Services District within Siskiyou County, or the Kensington Police  
27 Protection and Community Services District within Contra Costa  
28 County, the legislative body of that special district shall appropriate  
29 existing and anticipated moneys exclusively to fund frontline  
30 municipal police services, in accordance with written requests  
31 submitted by the chief administrator of the law enforcement agency  
32 that provides police services for that special district.

33 (d) For each fiscal year in which the county, a city, or the  
34 Broadmoor Police Protection District within the County of San  
35 Mateo, the Bear Valley Community Services District or the Stallion  
36 Springs Community Services District within Kern County, the  
37 Lake Shastina Community Services District within Siskiyou  
38 County, or the Kensington Police Protection and Community  
39 Services District within Contra Costa County receives any moneys  
40 pursuant to this chapter, in no event shall the governing body of

1 any of those recipient agencies subsequently alter any previous,  
2 valid appropriation by that body, for that same fiscal year, of  
3 moneys allocated to the county or city pursuant to paragraph (3)  
4 of subdivision (b).

5 (e) For the 2011–12 fiscal year, the Controller shall allocate  
6 23.54 percent of the amount deposited in the Local Law  
7 Enforcement Services Account in the Local Revenue Fund 2011  
8 for the purposes of paragraphs (1), (2), and (3) of subdivision (b),  
9 and shall allocate 23.54 percent for purposes of paragraph (4) of  
10 subdivision (b).

11 (f) Commencing with the 2012–13 fiscal year, the Controller  
12 shall allocate 21.86 percent of the amount deposited in the  
13 Enhancing Law Enforcement Activities Subaccount in the Local  
14 Revenue Fund 2011 for the purposes of paragraphs (1) to (3),  
15 inclusive, of subdivision (b), and shall allocate 21.86 percent for  
16 purposes of paragraph (4) of subdivision (b).

17 (g) The Controller shall allocate funds to local jurisdictions for  
18 public safety in accordance with this section as annually calculated  
19 by the Director of Finance.

20 (h) Funds received pursuant to subdivision (b) shall be expended  
21 or encumbered in accordance with this chapter no later than June  
22 30 of the following fiscal year. A local agency that has not met  
23 the requirement of this subdivision shall remit unspent SLESA  
24 moneys received after April 1, 2009, to the Controller for deposit  
25 in the Local Safety and Protection Account, after April 1, 2012,  
26 to the Local Law Enforcement Services Account, and after July  
27 1, 2012, to the County Enhancing Law Enforcement Activities  
28 Subaccount.

29 (i) In the 2010–11 fiscal year, if the fourth quarter revenue  
30 derived from fees imposed by subdivision (a) of Section 10752.2  
31 of the Revenue and Taxation Code that are deposited in the General  
32 Fund and transferred to the Local Safety and Protection Account,  
33 and continuously appropriated to the Controller for allocation  
34 pursuant to this section, are insufficient to provide a minimum  
35 grant of one hundred thousand dollars (\$100,000) to each law  
36 enforcement jurisdiction, the county auditor shall allocate the  
37 revenue proportionately, based on the allocation schedule in  
38 paragraph (3) of subdivision (b). The county auditor shall  
39 proportionately allocate, based on the allocation schedule in  
40 paragraph (3) of subdivision (b), all revenues received after the

1 distribution of the fourth quarter allocation attributable to these  
2 fees for which payment was due prior to July 1, 2011, until all  
3 minimum allocations are fulfilled, at which point all remaining  
4 revenue shall be distributed proportionately among the other  
5 jurisdictions.

6 SEC. 78. Section 64000 of the Government Code is amended  
7 to read:

8 64000. (a) The California Transportation Commission may  
9 allocate available federal and state transportation funds to the  
10 Department of Transportation, consistent with all applicable state  
11 and federal laws governing the use of those funds, to implement  
12 the purposes of, and to operate and manage, the Transportation  
13 Finance Bank as provided in accordance with the provisions of  
14 Section 350 of Public Law 104-59 and Section 1511 of Public Law  
15 105-178 using only funds made available to the department through  
16 the annual budget act.

17 (b) The department shall act as a lender in administering the  
18 Transportation Finance Bank and in entering into enforceable  
19 commitments to implement, operate, and manage the program  
20 created by this section to achieve the purposes of the Transportation  
21 Finance Bank.

22 (c) The department shall develop, and may amend as necessary,  
23 the guidelines and loan documents for the program, which shall  
24 be presented to the commission for adoption.

25 (d) An allocation of funds by the commission to meet capital  
26 and interest obligations created by the Transportation Finance  
27 Bank as those obligations become due shall be construed as an  
28 expenditure of those funds in the county or counties where the  
29 project is located. In the event of default on the loan, an amount  
30 equivalent to the remaining loan balance plus all accrued interest  
31 and penalties shall be deducted from the STIP county share of the  
32 affected county or counties pursuant to Sections 14524 and 14525  
33 and an amount equivalent to the remaining loan balance plus all  
34 accrued interest and penalties shall be transferred from the State  
35 Highway Account to the Transportation Finance Bank. Interest  
36 shall continue to accrue up to the date that the fund transfer is  
37 actually made.

38 (e) An eligible entity requesting loan funds under this section  
39 shall first receive approval of the project from the applicable  
40 regional transportation planning agency or county transportation

1 commission where the project is located prior to the execution of  
2 a loan agreement with the department and the receipt of any  
3 funding.

4 (f) Only projects that have a dedicated revenue source and are  
5 eligible for assistance under Section 1511 of Public Law 105-178  
6 are entitled to funding under this section.

7 (g) The Local Transportation Loan Account is hereby created  
8 in the State Highway Account in the State Transportation Fund  
9 for the management of funds for loans to local entities pursuant  
10 to this section. All funds for transportation loans in the Federal  
11 Trust Fund are hereby transferred to the Local Transportation Loan  
12 Account. The department shall deposit in the Local Transportation  
13 Loan Account all money received by the department from  
14 repayments of and interest and penalties on existing and future  
15 transportation loans from the Transportation Finance Bank. Interest  
16 on money in the Local Transportation Loan Account shall be  
17 credited to that account as it accrues.

18 (h) Notwithstanding Section 13340, the money in the Local  
19 Transportation Loan Account is continuously appropriated to the  
20 department without regard to fiscal years for purposes of loans to  
21 eligible projects as defined by Section 1511 of Public Law 105-178.

22 SEC. 79. Section 63.6 of the Harbors and Navigation Code is  
23 repealed.

24 SEC. 80. Section 1159.5 of the Harbors and Navigation Code  
25 is repealed.

26 SEC. 81. Section 1342.7 of the Health and Safety Code is  
27 amended to read:

28 1342.7. (a) The Legislature finds that in enacting Sections  
29 1367.215, 1367.25, 1367.45, 1367.51, and 1374.72, it did not  
30 intend to limit the department's authority to regulate the provision  
31 of medically necessary prescription drug benefits by a health care  
32 service plan to the extent that the plan provides coverage for those  
33 benefits.

34 (b) (1) Nothing in this chapter shall preclude a plan from filing  
35 relevant information with the department pursuant to Section 1352  
36 to seek the approval of a copayment, deductible, limitation, or  
37 exclusion to a plan's prescription drug benefits. If the department  
38 approves an exclusion to a plan's prescription drug benefits, the  
39 exclusion shall not be subject to review through the independent  
40 medical review process pursuant to Section 1374.30 on the grounds

1 of medical necessity. The department shall retain its role in  
2 assessing whether issues are related to coverage or medical  
3 necessity pursuant to paragraph (2) of subdivision (d) of Section  
4 1374.30.

5 (2) A plan seeking approval of a copayment or deductible may  
6 file an amendment pursuant to Section 1352.1. A plan seeking  
7 approval of a limitation or exclusion shall file a material  
8 modification pursuant to subdivision (b) of Section 1352.

9 (c) Nothing in this chapter shall prohibit a plan from charging  
10 a subscriber or enrollee a copayment or deductible for a  
11 prescription drug benefit or from setting forth by contract, a  
12 limitation or an exclusion from, coverage of prescription drug  
13 benefits, if the copayment, deductible, limitation, or exclusion is  
14 reported to, and found unobjectionable by, the director and  
15 disclosed to the subscriber or enrollee pursuant to the provisions  
16 of Section 1363.

17 (d) The department in developing standards for the approval of  
18 a copayment, deductible, limitation, or exclusion to a plan's  
19 prescription drug benefits, shall consider alternative benefit  
20 designs, including, but not limited to, the following:

21 (1) Different out-of-pocket costs for consumers, including  
22 copayments and deductibles.

23 (2) Different limitations, including caps on benefits.

24 (3) Use of exclusions from coverage of prescription drugs to  
25 treat various conditions, including the effect of the exclusions on  
26 the plan's ability to provide basic health care services, the amount  
27 of subscriber or enrollee premiums, and the amount of  
28 out-of-pocket costs for an enrollee.

29 (4) Different packages negotiated between purchasers and plans.

30 (5) Different tiered pharmacy benefits, including the use of  
31 generic prescription drugs.

32 (6) Current and past practices.

33 (e) The department shall develop a regulation outlining the  
34 standards to be used in reviewing a plan's request for approval of  
35 its proposed copayment, deductible, limitation, or exclusion on its  
36 prescription drug benefits.

37 (f) Nothing in subdivision (b) or (c) shall permit a plan to limit  
38 prescription drug benefits provided in a manner that is inconsistent  
39 with Sections 1367.215, 1367.25, 1367.45, 1367.51, and 1374.72.

(g) Nothing in this section shall be construed to require or authorize a plan that contracts with the State Department of Health Services to provide services to Medi-Cal beneficiaries or with the Managed Risk Medical Insurance Board to provide services to enrollees of the Healthy Families Program to provide coverage for prescription drugs that are not required pursuant to those programs or contracts, or to limit or exclude any prescription drugs that are required by those programs or contracts.

(h) Nothing in this section shall be construed as prohibiting or otherwise affecting a plan contract that does not cover outpatient prescription drugs except for coverage for limited classes of prescription drugs because they are integral to treatments covered as basic health care services, including, but not limited to, immunosuppressives, in order to allow for transplants of bodily organs.

(i) The department shall periodically review its regulations developed pursuant to this section.

(j) This section shall become operative on January 2, 2003, and shall only apply to contracts issued, amended, or renewed on or after that date.

SEC. 82. Section 1357.16 of the Health and Safety Code is amended to read:

1357.16. (a) Health care service plans may enter into contractual agreements with qualified associations, as defined in subdivision (b), under which these qualified associations may assume responsibility for performing specific administrative services, as defined in this section, for qualified association members. Health care service plans that enter into agreements with qualified associations for assumption of administrative services shall establish uniform definitions for the administrative services that may be provided by a qualified association or its third-party administrator. The health care service plan shall permit all qualified associations to assume one or more of these functions when the health care service plan determines the qualified association demonstrates the administrative capacity to assume these functions.

For the purposes of this section, administrative services provided by qualified associations or their third-party administrators shall be services pertaining to eligibility determination, enrollment, premium collection, sales, or claims administration on a per-claim basis that would otherwise be provided directly by the health care

1 service plan or through a third-party administrator on a commission  
2 basis or an agent or solicitor workforce on a commission basis.

3 Each health care service plan that enters into an agreement with  
4 any qualified association for the provision of administrative  
5 services shall offer all qualified associations with which it contracts  
6 the same premium discounts for performing those services the  
7 health care service plan has permitted the qualified association or  
8 its third-party administrator to assume. The health care service  
9 plan shall apply these uniform discounts to the health care service  
10 plan's risk adjusted employee risk rates after the health plan has  
11 determined the qualified association's risk adjusted employee risk  
12 rates pursuant to Section 1357.12. The health care service plan  
13 shall report to the Department of Managed Health Care its schedule  
14 of discount for each administrative service.

15 In no instance may a health care service plan provide discounts  
16 to qualified associations that are in any way intended to, or  
17 materially result in, a reduction in premium charges to the qualified  
18 association due to the health status of the membership of the  
19 qualified association. In addition to any other remedies available  
20 to the director to enforce this chapter, the director may declare a  
21 contract between a health care service plan and a qualified  
22 association for administrative services pursuant to this section null  
23 and void if the director determines any discounts provided to the  
24 qualified association are intended to, or materially result in, a  
25 reduction in premium charges to the qualified association due to  
26 the health status of the membership of the qualified association.

27 (b) For the purposes of this section, a qualified association is  
28 a nonprofit corporation comprised of a group of individuals or  
29 employers who associate based solely on participation in a  
30 specified profession or industry, that conforms to all of the  
31 following requirements:

32 (1) It accepts for membership any individual or small employer  
33 meeting its membership criteria.

34 (2) It does not condition membership directly or indirectly on  
35 the health or claims history of any person.

36 (3) It uses membership dues solely for and in consideration of  
37 the membership and membership benefits, except that the amount  
38 of the dues shall not depend on whether the member applies for  
39 or purchases insurance offered by the association.

1 (4) It is organized and maintained in good faith for purposes  
2 unrelated to insurance.

3 (5) It existed on January 1, 1972, and has been in continuous  
4 existence since that date.

5 (6) It has a constitution and bylaws or other analogous  
6 governing documents that provide for election of the governing  
7 board of the association by its members.

8 (7) It offered, marketed, or sold health coverage to its members  
9 for 20 continuous years prior to January 1, 1993.

10 (8) It agrees to offer only to association members any plan  
11 contract.

12 (9) It agrees to include any member choosing to enroll in the  
13 plan contract offered by the association, provided that the member  
14 agrees to make required premium payments.

15 (10) It complies with all provisions of this article.

16 (11) It had at least 10,000 enrollees covered by association  
17 sponsored plans immediately prior to enactment of Chapter 1128  
18 of the Statutes of 1992.

19 (12) It applies any administrative cost at an equal rate to all  
20 members purchasing coverage through the qualified association.

21 (c) A qualified association shall comply with Section 1357.52.  
22 SEC. 83. Section 1626 of the Health and Safety Code is  
23 amended to read:

24 1626. (a) Except as provided in subdivisions (b) and (c), it  
25 shall be unlawful, in any transfusion of blood, to use any blood  
26 that was obtained from a paid donor.

27 (b) Subdivision (a) shall not be applicable to any transfusion  
28 of blood that was obtained from a paid donor if the physician and  
29 surgeon performing the transfusion has determined, taking into  
30 consideration the condition of the patient who is the recipient of  
31 the transfusion, that other blood of a type compatible with the  
32 blood type of the patient cannot reasonably be obtained for the  
33 transfusion.

34 (c) Subdivision (a) shall not apply to blood platelets secured  
35 from paid donors through the hemapheresis process if all of the  
36 following requirements are satisfied:

37 (1) The blood platelets are ordered by a doctor holding a valid  
38 California physician's and surgeon's certificate.

39 (2) The blood platelets are secured from a single donor and are  
40 sufficient to constitute a complete platelet transfusion.



1 (3) The donor's identification number is recorded on the platelet  
2 label and is kept in the records of the entity providing the blood  
3 platelets for a minimum of five years.

4 (4) The donor has been examined by a doctor holding a valid  
5 California physician's and surgeon's certificate, and a repeat donor  
6 is reexamined at least annually.

7 (5) The transfusion is performed in a general acute care hospital.

8 (6) The blood platelets are processed according to standards  
9 issued by the American Association of Blood Banks, pursuant to  
10 Section 1602.1.

11 (7) The donor and blood are tested in accordance with  
12 regulations issued by the State Department of Health Services.

13 (8) The entity providing the blood platelets is licensed by the  
14 State Department of Health Services.

15 (9) The information that the donor of the blood platelets was  
16 compensated is printed on the label in accordance with Section  
17 1603.5.

18 (10) In all instances, a potential donor shall provide a blood  
19 sample, which shall be tested with the standard panel of blood tests  
20 required by the State Department of Health Services for all blood  
21 donations. The results of the testing shall be obtained, evaluated,  
22 and determined to be acceptable prior to allowing the potential  
23 donor to provide his or her first donation of platelets. In addition,  
24 all donors shall be required to schedule an appointment for platelet  
25 donation.

26 (11) Any entity that is not collecting blood platelets from paid  
27 donors on August 1, 2000, shall obtain written permission from  
28 the director prior to compensating any donor for blood platelets.

29 (d) Subdivision (c) shall become inoperative on January 1,  
30 2003.

31 SEC. 84. Section 24275 of the Health and Safety Code is  
32 amended to read:

33 24275. (a) If the State Department of Health Services believes  
34 that the air monitoring standard for asbestos in public school  
35 buildings as specified in Section 49410.7 of the Education Code  
36 should be revised, it shall promulgate a regulation to that effect.

37 (b) The department shall provide the Office of Public School  
38 Construction with appropriate sampling methodology for use in  
39 taking air samples in public school buildings.

SEC. 85. Section 25150.7 of the Health and Safety Code is amended to read:

25150.7. (a) The Legislature finds and declares that this section is intended to address the unique circumstances associated with the generation and management of treated wood waste. The Legislature further declares that this section does not set a precedent applicable to the management, including disposal, of other hazardous wastes.

(b) For purposes of this section, the following definitions shall apply:

(1) “Treated wood” means wood that has been treated with a chemical preservative for purposes of protecting the wood against attacks from insects, microorganisms, fungi, and other environmental conditions that can lead to decay of the wood and the chemical preservative is registered pursuant to the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. Sec. 136 et seq.).

(2) “Wood preserving industry” means business concerns, other than retailers, that manufacture or sell treated wood products in the state.

(c) This section applies only to treated wood waste that is a hazardous waste, solely due to the presence of a preservative in the wood, and to which both of the following requirements apply:

(1) The treated wood waste is not subject to regulation as a hazardous waste under the federal act.

(2) Section 25143.1.5 does not apply to the treated wood waste.

(d) (1) Notwithstanding Sections 25189.5 and 25201, treated wood waste shall be disposed of in either a class I hazardous waste landfill, or in a composite-lined portion of a solid waste landfill unit that meets all requirements applicable to disposal of municipal solid waste in California after October 9, 1993, and that is regulated by waste discharge requirements issued pursuant to Division 7 (commencing with Section 13000) of the Water Code for discharges of designated waste, as defined in Section 13173 of the Water Code, or treated wood waste.

(2) A solid waste landfill that accepts treated wood waste shall comply with all of the following requirements:

(A) Manage the treated wood waste so as to prevent scavenging.

(B) Ensure that any management of the treated wood waste at the solid waste landfill prior to disposal, or in lieu of disposal,

1 complies with the applicable requirements of this chapter, except  
2 as otherwise provided by regulations adopted pursuant to  
3 subdivision (f).

4 (C) If monitoring at the composite-lined portion of a landfill  
5 unit at which treated wood waste has been disposed of indicates  
6 a verified release, then treated wood waste shall no longer be  
7 discharged to that landfill unit until corrective action results in  
8 cessation of the release.

9 (e) (1) Each wholesaler and retailer of treated wood and treated  
10 wood-like products in this state shall conspicuously post  
11 information at or near the point of display or customer selection  
12 of treated wood and treated wood-like products used for fencing,  
13 decking, retaining walls, landscaping, outdoor structures, and  
14 similar uses. The information shall be provided to wholesalers and  
15 retailers by the wood preserving industry in 22-point font, or larger,  
16 and contain the following message:

17  
18 **Warning—Potential Danger**

19 These products are treated with wood preservatives registered  
20 with the United States Environmental Protection Agency and the  
21 California Department of Pesticide Regulation and should only be  
22 used in compliance with the product labels.

23 This wood may contain chemicals classified by the State of  
24 California as hazardous and should be handled and disposed of  
25 with care. Check product label for specific preservative information  
26 and Proposition 65 warnings concerning presence of chemicals  
27 known to the State of California to cause cancer or birth defects.

28 Anyone working with treated wood, and anyone removing old  
29 treated wood, needs to take precautions to minimize exposure to  
30 themselves, children, pets, or wildlife, including:

31  
32 ☐ Avoid contact with skin. Wear gloves and long sleeved shirts  
33 when working with treated wood. Wash exposed areas thoroughly  
34 with mild soap and water after working with treated wood.

35  
36 ☐ Wear a dust mask when machining any wood to reduce the  
37 inhalation of wood dusts. Avoid frequent or prolonged inhalation  
38 of sawdust from treated wood. Machining operations should be  
39 performed outdoors whenever possible to avoid indoor  
40 accumulations of airborne sawdust.

1  
2 ☐ Wear appropriate eye protection to reduce the potential for eye  
3 injury from wood particles and flying debris during machining.

4  
5 ☐ If preservative or sawdust accumulates on clothes, launder  
6 before reuse. Wash work clothes separately from other household  
7 clothing.

8  
9 ☐ Promptly clean up and remove all sawdust and scraps and  
10 dispose of appropriately.

11  
12 ☐ Do not use treated wood under circumstances where the  
13 preservative may become a component of food or animal feed.

14  
15 ☐ Only use treated wood that's visibly clean and free from surface  
16 residue for patios, decks, or walkways.

17  
18 ☐ Do not use treated wood where it may come in direct or indirect  
19 contact with public drinking water, except for uses involving  
20 incidental contact such as docks and bridges.

21  
22 ☐ Do not use treated wood for mulch.

23  
24 ☐ Do not burn treated wood. Preserved wood should not be burned  
25 in open fires, stoves, or fireplaces.

26  
27 For further information, go to the Internet Web site for the  
28 Western Wood Preservers Institute (<http://www.wwpinstitute.org>)  
29 or call the toll-free telephone number of the California Treated  
30 Wood Information Hotline at 1-866-696-8315.

31  
32 In addition to the above listed precautions, treated wood waste  
33 shall be managed in compliance with applicable hazardous waste  
34 control laws.

35 (2) On or before July 1, 2005, the wood preserving industry  
36 shall, jointly and in consultation with the department, make  
37 information available to generators of treated wood waste,  
38 including fencing, decking and landscape contractors, solid waste  
39 landfills, and transporters, that describes how to best handle,  
40 dispose of, and otherwise manage treated wood waste, through the

1 use either of a toll-free telephone number, Internet Web site,  
2 information labeled on the treated wood, information  
3 accompanying the sale of the treated wood, or by mailing if the  
4 department determines that mailing is feasible and other methods  
5 of communication would not be as effective. A treated wood  
6 manufacturer or supplier to a wholesaler or retailer shall also  
7 provide the information with each shipment of treated wood  
8 products to a wholesaler or retailer, and the wood preserving  
9 industry shall provide it to fencing, decking, and landscaping  
10 contractors, by mail, using the Contractors' State License Board's  
11 available listings, and license application packages. The department  
12 may provide guidance to the wood preserving industry, to the  
13 extent resources permit.

14 (f) (1) On or before January 1, 2007, the department, in  
15 consultation with the Department of Resources Recycling and  
16 Recovery, the State Water Resources Control Board, and the Office  
17 of Environmental Health Hazard Assessment, and after  
18 consideration of any known health hazards associated with treated  
19 wood waste, shall adopt and may subsequently revise as necessary,  
20 regulations establishing management standards for treated wood  
21 waste as an alternative to the requirements specified in this chapter  
22 and the regulations adopted pursuant to this chapter.

23 (2) The regulations adopted pursuant to this subdivision shall,  
24 at a minimum, ensure all of the following:

25 (A) Treated wood waste is properly stored, treated, transported,  
26 tracked, disposed of, and otherwise managed so as to prevent, to  
27 the extent practical, releases of hazardous constituents to the  
28 environment, prevent scavenging, and prevent harmful exposure  
29 of people, including workers and children, aquatic life, and animals  
30 to hazardous chemical constituents of the treated wood waste.

31 (B) Treated wood waste is not reused, with or without treatment,  
32 except for a purpose that is consistent with the approved use of  
33 the preservative with which the wood has been treated. For  
34 purposes of this subparagraph, "approved uses" means a use  
35 approved at the time the treated wood waste is reused.

36 (C) Treated wood waste is managed in accordance with all  
37 applicable laws.

38 (D) Any size reduction of treated wood waste is conducted in  
39 a manner that prevents the uncontrolled release of hazardous

1 constituents to the environment, and that conforms to applicable  
2 worker health and safety requirements.

3 (E) All sawdust and other particles generated during size  
4 reduction are captured and managed as treated wood waste.

5 (F) All employees involved in the acceptance, storage, transport,  
6 and other management of treated wood waste are trained in the  
7 safe and legal management of treated wood waste, including, but  
8 not limited to, procedures for identifying and segregating treated  
9 wood waste.

10 (3) This subdivision does not authorize the department to adopt  
11 a regulation that does one or more of the following:

12 (A) Imposes a requirement as an addition to, rather than as an  
13 alternative to, one or more of the requirements of this chapter.

14 (B) Supersedes subdivision (d) concerning the disposal of treated  
15 wood waste.

16 (C) Supersedes any other provision of this chapter that provides  
17 a conditional or unconditional exclusion, exemption, or exception  
18 to a requirement of this chapter or the regulations adopted pursuant  
19 to this chapter, except the department may adopt a regulation  
20 pursuant to this subdivision that provides an alternative condition  
21 for a requirement specified in this chapter for an exclusion,  
22 exemption, or exception and that allows an affected person to  
23 choose between complying with the requirements specified in this  
24 chapter or complying with the alternative conditions set forth in  
25 the regulation.

26 (g) (1) A person managing treated wood waste who is subject  
27 to a requirement of this chapter, including a regulation adopted  
28 pursuant to this chapter, shall comply with either the alternative  
29 standard specified in the regulations adopted pursuant to  
30 subdivision (f) or with the requirements of this chapter.

31 (2) A person who is in compliance with the alternative standard  
32 specified in the regulations adopted pursuant to subdivision (f) is  
33 deemed to be in compliance with the requirement of this chapter  
34 for which the regulation is identified as being an alternative, and  
35 the department and any other entity authorized to enforce this  
36 chapter shall consider that person to be in compliance with that  
37 requirement of this chapter.

38 (h) On January 1, 2005, all variances granted by the department  
39 before January 1, 2005, governing the management of treated wood  
40 waste are inoperative and have no further effect.

1 (i) This section does not limit the authority or responsibility of  
2 the department to adopt regulations under any other law.

3 (j) This section shall become inoperative on June 1, 2017, and,  
4 as of January 1, 2018, is repealed, unless a later enacted statute,  
5 that becomes operative on or before January 1, 2018, deletes or  
6 extends the dates on which it becomes inoperative and is repealed.

7 (k) A regulation adopted pursuant to this section on or before  
8 June 1, 2012, shall continue in force and effect after that date, until  
9 repealed or revised by the department.

10 SEC. 86. Section 25174 of the Health and Safety Code is  
11 amended to read:

12 25174. (a) There is in the General Fund the Hazardous Waste  
13 Control Account, which shall be administered by the director. In  
14 addition to any other money that may be deposited in the  
15 Hazardous Waste Control Account, pursuant to statute, all of the  
16 following amounts shall be deposited in the account:

17 (1) The fees collected pursuant to Sections 25174.1, 25205.2,  
18 25205.5, 25205.15, and 25205.16.

19 (2) The fees collected pursuant to Section 25187.2, to the extent  
20 that those fees are for the oversight of corrective action taken under  
21 this chapter.

22 (3) Any interest earned upon the money deposited in the  
23 Hazardous Waste Control Account.

24 (4) Any money received from the federal government pursuant  
25 to the federal act.

26 (5) Any reimbursements for funds expended from the Hazardous  
27 Waste Control Account for services provided by the department  
28 pursuant to this chapter, including, but not limited to, the  
29 reimbursements required pursuant to Sections 25201.9 and 25205.7.

30 (b) The funds deposited in the Hazardous Waste Control  
31 Account may be appropriated by the Legislature, for expenditure  
32 as follows:

33 (1) To the department for the administration and implementation  
34 of this chapter.

35 (2) To the department for allocation to the State Board of  
36 Equalization to pay refunds of fees collected pursuant to Sections  
37 43051 and 43053 of the Revenue and Taxation Code and for the  
38 administration and collection of the fees imposed pursuant to  
39 Article 9.1 (commencing with Section 25205.1) that are deposited  
40 into the Hazardous Waste Control Account.

1 (3) To the department for the costs of performance or review  
2 of analyses of past, present, or potential environmental public  
3 health effects related to toxic substances, including extremely  
4 hazardous waste, as defined in Section 25115, and hazardous waste,  
5 as defined in Section 25117.

6 (4) To the department for allocation to the office of the Attorney  
7 General for the support of the Toxic Substance Enforcement  
8 Program in the office of the Attorney General, in carrying out the  
9 purposes of this chapter.

10 (5) To the department for administration and implementation  
11 of Chapter 6.11 (commencing with Section 25404).

12 (c) (1) Expenditures from the Hazardous Waste Control  
13 Account for support of state agencies other than the department  
14 shall, upon appropriation by the Legislature to the department, be  
15 subject to an interagency agreement or similar mechanism between  
16 the department and the state agency receiving the support.

17 (2) The department shall, at the time of the release of the annual  
18 Governor's Budget, describe the budgetary amounts proposed to  
19 be allocated to the State Board of Equalization, as specified in  
20 paragraph (2) of subdivision (b) and in paragraph (3) of subdivision  
21 (b) of Section 25173.6, for the upcoming fiscal year.

22 (3) It is the intent of the Legislature that moneys appropriated  
23 in the annual Budget Act each year for the purpose of reimbursing  
24 the State Board of Equalization, a private party, or other public  
25 agency, for the administration and collection of the fees imposed  
26 pursuant to Article 9.1 (commencing with Section 25205.1) and  
27 deposited in the Hazardous Waste Control Account, shall not  
28 exceed the costs incurred by the State Board of Equalization, the  
29 private party, or other public agency, for the administration and  
30 collection of those fees.

31 (d) With respect to expenditures for the purposes of paragraphs  
32 (1) and (3) of subdivision (b) and paragraphs (1) and (2) of  
33 subdivision (b) of Section 25173.6, the department shall, at the  
34 time of the release of the annual Governor's Budget, also make  
35 available the budgetary amounts and allocations of staff resources  
36 of the department proposed for the following activities:

37 (1) The department shall identify, by permit type, the projected  
38 allocations of budgets and staff resources for hazardous waste  
39 facilities permits, including standardized permits, closure plans,  
40 and postclosure permits.



1 (2) The department shall identify, with regard to surveillance  
2 and enforcement activities, the projected allocations of budgets  
3 and staff resources for the following types of regulated facilities  
4 and activities:

5 (A) Hazardous waste facilities operating under a permit or grant  
6 of interim status issued by the department, and generator activities  
7 conducted at those facilities. This information shall be reported  
8 by permit type.

9 (B) Transporters.

10 (C) Response to complaints.

11 (3) The department shall identify the projected allocations of  
12 budgets and staff resources for both of the following activities:

13 (A) The registration of hazardous waste transporters.

14 (B) The operation and maintenance of the hazardous waste  
15 manifest system.

16 (4) The department shall identify, with regard to site mitigation  
17 and corrective action, the projected allocations of budgets and staff  
18 resources for the oversight and implementation of the following  
19 activities:

20 (A) Investigations and removal and remedial actions at military  
21 bases.

22 (B) Voluntary investigations and removal and remedial actions.

23 (C) State match and operation and maintenance costs, by site,  
24 at joint state and federally funded National Priority List Sites.

25 (D) Investigation, removal and remedial actions, and operation  
26 and maintenance at the Stringfellow Hazardous Waste Site.

27 (E) Investigation, removal and remedial actions, and operation  
28 and maintenance at the Casmalia Hazardous Waste Site.

29 (F) Investigations and removal and remedial actions at  
30 nonmilitary, responsible party lead National Priority List Sites.

31 (G) Preremedial activities under the federal Comprehensive  
32 Environmental Response, Compensation, and Liability Act of 1980  
33 (42 U.S.C. Sec. 9601 et seq.).

34 (H) Investigations, removal and remedial actions, and operation  
35 and maintenance at state-only orphan sites.

36 (I) Investigations and removal and remedial actions at  
37 nonmilitary, non-National Priority List responsible party lead sites.

38 (J) Investigations, removal and remedial actions, and operation  
39 and maintenance at Expedited Remedial Action Program sites  
40 pursuant to former Chapter 6.85 (commencing with Section 25396).

1 (K) Corrective actions at hazardous waste facilities.

2 (5) The department shall identify, with regard to the regulation  
3 of hazardous waste, the projected allocation of budgets and staff  
4 resources for the following activities:

5 (A) Determinations pertaining to the classification of hazardous  
6 wastes.

7 (B) Determinations for variances made pursuant to Section  
8 25143.

9 (C) Other determinations and responses to public inquiries made  
10 by the department regarding the regulation of hazardous waste and  
11 hazardous substances.

12 (6) The department shall identify projected allocations of  
13 budgets and staff resources needed to do all of the following:

14 (A) Identify, remove, store, and dispose of, suspected hazardous  
15 substances or hazardous materials associated with the investigation  
16 of clandestine drug laboratories.

17 (B) Respond to emergencies pursuant to Section 25354.

18 (C) Create, support, maintain, and implement the railroad  
19 accident prevention and immediate deployment plan developed  
20 pursuant to Section 7718 of the Public Utilities Code.

21 (7) The department shall identify projected allocations of  
22 budgets and staff resources for the administration and  
23 implementation of the unified hazardous waste and hazardous  
24 materials regulatory program established pursuant to Chapter 6.11  
25 (commencing with Section 25404).

26 (8) The department shall identify the total cumulative  
27 expenditures of the Regulatory Structure Update and Site  
28 Mitigation Update projects since their inception, and shall identify  
29 the total projected allocations of budgets and staff resources that  
30 are needed to continue these projects.

31 (9) The department shall identify the total projected allocations  
32 of budgets and staff resources that are necessary for all other  
33 activities proposed to be conducted by the department.

34 (e) Notwithstanding this chapter, or Part 22 (commencing with  
35 Section 43001) of Division 2 of the Revenue and Taxation Code,  
36 for any fees, surcharges, fines, penalties, and funds that are required  
37 to be deposited into the Hazardous Waste Control Account or the  
38 Toxic Substances Control Account, the department, with the  
39 approval of the Secretary for Environmental Protection, may take  
40 any of the following actions:

1 (1) Assume responsibility for, or enter into a contract with a  
2 private party or with another public agency, other than the State  
3 Board of Equalization, for the collection of any fees, surcharges,  
4 fines, penalties and funds described in subdivision (a) or otherwise  
5 described in this chapter or Chapter 6.8 (commencing with Section  
6 25300), for deposit into the Hazardous Waste Control Account or  
7 the Toxic Substances Control Account.

8 (2) Administer, or by mutual agreement, contract with a private  
9 party or another public agency, for the making of those  
10 determinations and the performance of functions that would  
11 otherwise be the responsibility of the State Board of Equalization  
12 pursuant to this chapter, Chapter 6.8 (commencing with Section  
13 25300), or Part 22 (commencing with Section 43001) of Division  
14 2 of the Revenue and Taxation Code, if those activities and  
15 functions for which the State Board of Equalization would  
16 otherwise be responsible become the responsibility of the  
17 department or, by mutual agreement, the contractor selected by  
18 the department.

19 (f) If, pursuant to subdivision (e), the department, or a private  
20 party or another public agency, pursuant to a contract with the  
21 department, performs the determinations and functions that would  
22 otherwise be the responsibility of the State Board of Equalization,  
23 the department shall be responsible for ensuring that persons who  
24 are subject to the fees specified in subdivision (e) have equivalent  
25 rights to public notice and comment, and procedural and  
26 substantive rights of appeal, as afforded by the procedures of the  
27 State Board of Equalization pursuant to Part 22 (commencing with  
28 Section 43001) of Division 2 of the Revenue and Taxation Code.  
29 Final responsibility for the administrative adjustment of fee rates  
30 and the administrative appeal of any fees or penalty assessments  
31 made pursuant to this section may only be assigned by the  
32 department to a public agency.

33 (g) If, pursuant to subdivision (e), the department, or a private  
34 party or another public agency, pursuant to a contract with the  
35 department, performs the determinations and functions that would  
36 otherwise be the responsibility of the State Board of Equalization,  
37 the department shall have equivalent authority to make collections  
38 and enforce judgments as provided to the State Board of  
39 Equalization pursuant to Part 22 (commencing with Section 43001)  
40 of Division 2 of the Revenue and Taxation Code. Unpaid amounts,

1 including penalties and interest, shall be a perfected and  
2 enforceable state tax lien in accordance with Section 43413 of the  
3 Revenue and Taxation Code.

4 (h) The department, with the concurrence of the Secretary for  
5 Environmental Protection, shall determine which administrative  
6 functions should be retained by the State Board of Equalization,  
7 administered by the department, or assigned to another public  
8 agency or private party pursuant to subdivisions (e), (f), and (g).

9 (i) The department may adopt regulations to implement  
10 subdivisions (e) to (h), inclusive.

11 (j) The Director of Finance, upon request of the director, may  
12 make a loan from the General Fund to the Hazardous Waste  
13 Control Account to meet cash needs. The loan shall be subject to  
14 the repayment provisions of Section 16351 of the Government  
15 Code and the interest provisions of Section 16314 of the  
16 Government Code.

17 (k) The department shall establish, within the Hazardous Waste  
18 Control Account, a reserve of at least one million dollars  
19 (\$1,000,000) each year to ensure that all programs funded by the  
20 Hazardous Waste Control Account will not be adversely affected  
21 by any revenue shortfalls.

22 SEC. 87. Section 25244.11 of the Health and Safety Code is  
23 repealed.

24 SEC. 88. Section 25299.50 of the Health and Safety Code is  
25 amended to read:

26 25299.50. (a) The Underground Storage Tank Cleanup Fund  
27 is hereby created in the State Treasury. The money in the fund  
28 may be expended by the board, upon appropriation by the  
29 Legislature, for purposes of this chapter. From time to time, the  
30 board may modify existing accounts or create accounts in the fund  
31 or other funds administered by the board, which the board  
32 determines are appropriate or necessary for proper administration  
33 of this chapter.

34 (b) Except for funds transferred to the Drinking Water Treatment  
35 and Research Fund created pursuant to subdivision (c) of Section  
36 116367, all of the following amounts shall be deposited in the  
37 fund:

38 (1) Money appropriated by the Legislature for deposit in the  
39 fund.

1 (2) The fees, interest, and penalties collected pursuant to Article  
2 5 (commencing with Section 25299.40).

3 (3) Notwithstanding Section 16475 of the Government Code,  
4 any interest earned upon the money deposited in the fund.

5 (4) Any money recovered by the fund pursuant to Section  
6 25299.70.

7 (5) Any civil penalties collected by the board or regional board  
8 pursuant to Section 25299.76.

9 (c) Notwithstanding subdivision (a), any funds appropriated by  
10 the Legislature in the annual Budget Act for payment of a claim  
11 for the costs of a corrective action in response to an unauthorized  
12 release, that are encumbered for expenditure for a corrective action  
13 pursuant to a letter of credit issued by the board pursuant to  
14 subdivision (e) of Section 25299.57, but are subsequently not  
15 expended for that corrective action claim, may be reallocated by  
16 the board for payment of other claims for corrective action pursuant  
17 to Section 25299.57.

18 SEC. 89. Section 25299.112 of the Health and Safety Code is  
19 repealed.

20 SEC. 90. Section 43105.5 of the Health and Safety Code is  
21 amended to read:

22 43105.5. (a) For all 1994 and later model-year motor vehicles  
23 equipped with on board diagnostic systems (OBD's) and certified  
24 in accordance with the test procedures adopted pursuant to Section  
25 43104, the state board, not later than January 1, 2002, shall adopt  
26 regulations that require a motor vehicle manufacturer to do all of  
27 the following to the extent not limited or prohibited by federal law  
28 (the regulations adopted by the state board pursuant to this  
29 provision may include subject matter similar to the subject matter  
30 included in regulations adopted by the United States Environmental  
31 Protection Agency):

32 (1) Make available, within a reasonable period of time, and by  
33 reasonable business means, including, but not limited to, use of  
34 the Internet, as determined by the state board, to all covered  
35 persons, the full contents of all manuals, technical service bulletins,  
36 and training materials regarding emissions-related motor vehicle  
37 information that is made available to their franchised dealerships.

38 (2) Make available for sale to all covered persons the  
39 manufacturer's emissions-related enhanced diagnostic tools, and  
40 make emissions-related enhanced data stream information and

1 bidirectional controls related to tools available in electronic format  
2 to equipment and tool companies.

3 (3) If the motor vehicle manufacturer uses reprogrammable  
4 computer chips in its motor vehicles, provide equipment and tool  
5 companies with the information that is provided by the  
6 manufacturer to its dealerships to allow those companies to  
7 incorporate into aftermarket tools the same reprogramming  
8 capability.

9 (4) Make available to all covered persons, within a reasonable  
10 period of time, a general description of their on board diagnostic  
11 systems (OBD II) for the 1996 and subsequent model-years, which  
12 shall contain the information described in this paragraph. For each  
13 monitoring system utilized by a manufacturer that illuminates the  
14 OBD II malfunction indicator light, the motor vehicle manufacturer  
15 shall provide all of the following:

16 (A) A general description of the operation of the monitor,  
17 including a description of the parameter that is being monitored.

18 (B) A listing of all typical OBD II diagnostic trouble codes  
19 associated with each monitor.

20 (C) A description of the typical enabling conditions for each  
21 monitor to execute during vehicle operation, including, but not  
22 limited to, minimum and maximum intake air and engine coolant  
23 temperature, vehicle speed range, and time after engine startup.

24 (D) A listing of each monitor sequence, execution frequency,  
25 and typical duration.

26 (E) A listing of typical malfunction thresholds for each monitor.

27 (F) For OBD II parameters for specific vehicles that deviate  
28 from the typical parameters, the OBD II description shall indicate  
29 the deviation and provide a separate listing of the typical value for  
30 those vehicles.

31 (G) The information required by this paragraph shall not include  
32 specific algorithms, specific software code, or specific calibration  
33 data beyond that required to be made available through the generic  
34 scan tool in federal and California on board diagnostic regulations.

35 (5) Not utilize any access or recognition code or any type of  
36 encryption for the purpose of preventing a vehicle owner from  
37 using an emissions-related motor vehicle part with the exception  
38 of the powertrain control modules, engine control modules, and  
39 transmission control modules, that has not been manufactured by  
40 that manufacturer or any of its original equipment suppliers.

1 (6) Provide to all covered persons information regarding  
2 initialization procedures relating to immobilizer circuits or other  
3 lockout devices to reinitialize vehicle on board computers that  
4 employ integral vehicle security systems if necessary to repair or  
5 replace an emissions-related part, or if necessary for the proper  
6 installation of vehicle on board computers that employ integral  
7 vehicle security systems.

8 (7) All information required to be provided to covered persons  
9 by this section shall be provided, for fair, reasonable, and  
10 nondiscriminatory compensation, in a format that is readily  
11 accessible to all covered persons, as determined by the state board.

12 (b) Any information required to be disclosed pursuant to a final  
13 regulation adopted under this section that the motor vehicle  
14 manufacturer demonstrates to a court, on a case-by-case basis, to  
15 be a trade secret pursuant to the Uniform Trade Secret Act  
16 contained in Title 5 (commencing with Section 3426) of Part 1 of  
17 Division 4 of the Civil Code, shall be exempt from disclosure,  
18 unless the court, upon the request of a covered person seeking  
19 disclosure of the information, determines that the disclosure of the  
20 information is necessary to mitigate anticompetitive effects. In  
21 making this determination, the court shall consider, among other  
22 things, the practices of any motor vehicle manufacturer that results  
23 in the fullest disclosure of information listed in paragraph (4) of  
24 subdivision (a). In actions subject to this subdivision, the court  
25 shall preserve the secrecy of an alleged trade secret by reasonable  
26 means, which may include granting a protective order in connection  
27 with discovery proceedings, holding an in-camera hearing, sealing  
28 the record of the action, or ordering any person involved in the  
29 litigation not to disclose an alleged trade secret without prior court  
30 approval.

31 (c) If information is required to be disclosed by a motor vehicle  
32 manufacturer pursuant to subdivision (b), the court shall allow for  
33 the imposition of reasonable business conditions as a condition of  
34 disclosure, and may include punitive sanctions for the improper  
35 release of information that is determined to be a trade secret to a  
36 competitor of the manufacturer. The court shall also provide for  
37 fair, reasonable, and nondiscriminatory compensation to the motor  
38 vehicle manufacturer for the disclosure of information determined  
39 by the court to be a trade secret and required to be disclosed  
40 pursuant to subdivision (b). The court shall provide for the

1 dissemination of trade secret information required to be disclosed  
2 pursuant to subdivision (b) through licensing agreements and the  
3 collection of reasonable licensing fees. If the court determines that  
4 disclosure of any of the information required to be disclosed under  
5 subdivision (b) constitutes a taking of personal property, a jury  
6 trial shall be held to determine the amount of compensation for  
7 that taking, unless waived by the motor vehicle manufacturer.

8 (d) The state board shall periodically conduct surveys to  
9 determine whether the information requirements imposed by this  
10 section are being fulfilled by actual field availability of the  
11 information.

12 (e) If the executive officer of the state board obtains credible  
13 evidence that a motor vehicle manufacturer has failed to comply  
14 with any of the requirements of this section or the regulations  
15 adopted by the state board, the executive officer shall issue a notice  
16 to comply to the manufacturer. Not later than 30 days after issuance  
17 of the notice to comply, the vehicle manufacturer shall submit to  
18 the executive officer a compliance plan, unless within that 30-day  
19 period the manufacturer requests an administrative hearing to  
20 contest the basis or scope of the notice to comply in accordance  
21 with subdivision (f). The executive officer shall accept the  
22 compliance plan if it provides adequate demonstration that the  
23 manufacturer will come into compliance with this section and the  
24 board's implementing regulations within 45 days following  
25 submission of the plan. However, the executive officer may extend  
26 the compliance period if the executive officer determines that the  
27 violation cannot be remedied within that period.

28 (f) If the motor vehicle manufacturer contests a notice to comply  
29 pursuant to subdivision (e) or the executive officer rejects the  
30 compliance plan submitted by the manufacturer, an administrative  
31 hearing shall be conducted by a hearing officer appointed by the  
32 state board, in accordance with procedures established by the state  
33 board. The hearing procedures shall provide the manufacturer and  
34 any other interested party at least 30 days notice of the hearing.  
35 If, after the hearing, the hearing officer appointed by the state board  
36 finds that the motor vehicle manufacturer has failed to comply  
37 with any of the requirements of this section or the regulations  
38 adopted by the state board, and the manufacturer fails to correct  
39 the violation with 30 days from the date of the finding, the hearing  
40 officer may impose a civil penalty upon the manufacturer in an



1 amount not to exceed twenty-five thousand dollars (\$25,000) per  
2 day per violation until the violation is corrected, as determined in  
3 accordance with the hearing procedures established by the state  
4 board. The hearing procedures may provide additional time for  
5 compliance prior to imposing a civil penalty. If so, the hearing  
6 officer may grant additional time for compliance if he or she  
7 determines that the violation cannot be remedied within 30 days  
8 of the finding that a violation has occurred.

9 (g) Nothing in this section is intended to authorize the  
10 infringement of intellectual property rights embodied in United  
11 States patents, trademarks, or copyrights, to the extent those rights  
12 may be exercised consistently with any other federal laws.

13 SEC. 91. Section 44003 of the Health and Safety Code is  
14 amended to read:

15 44003. (a) (1) An enhanced motor vehicle inspection and  
16 maintenance program is established in each urbanized area of the  
17 state, any part of which is classified by the Environmental  
18 Protection Agency as a serious, severe, or extreme nonattainment  
19 area for ozone or a moderate or serious nonattainment area for  
20 carbon monoxide with a design value greater than 12.7 ppm, and  
21 in other areas of the state as provided in this chapter.

22 (2) A basic vehicle inspection and maintenance program shall  
23 be continued in all other areas of the state where a program was  
24 in existence under this chapter as of the effective date of this  
25 paragraph.

26 (b) The department may prescribe different test procedures and  
27 equipment requirements for those areas described in subdivision  
28 (a). Program components shall be operated in all program areas  
29 unless otherwise indicated, as determined by the department. In  
30 those areas where the biennial program is not implemented and  
31 smog check inspections are required to complete the requirements  
32 set forth in Sections 4000.1 and 4000.2 of the Vehicle Code,  
33 program elements that apply in basic areas, including test  
34 equipment requirements for smog check stations, shall apply.

35 (c) (1) Districts classified as attainment areas may request the  
36 department to implement all or part of the program elements  
37 defined in this chapter. However, the department shall not  
38 implement the program established by Section 44010.5 in any area  
39 other than an urbanized area, any part of which is classified by the  
40 Environmental Protection Agency as a serious, severe, or extreme

1 nonattainment area for ozone or a moderate or serious  
2 nonattainment area for carbon monoxide with a design value greater  
3 than 12.7 ppm.

4 (2) Districts that include areas classified as basic program  
5 nonattainment areas pursuant to subdivision (a) may, except as  
6 provided in paragraph (1), request the implementation in those  
7 areas of test procedures and equipment required for enhanced  
8 program areas and any other program requirement specified for  
9 enhanced program areas.

10 SEC. 92. Section 44014.6 of the Health and Safety Code is  
11 amended to read:

12 44014.6. (a) The inspection-based performance standards  
13 created for the certification program established pursuant to  
14 subdivision (a) of Section 44014.2 and subdivision (d) of Section  
15 44014.5 shall be based on the same criteria.

16 (b) The performance standards described in subdivision (a) shall  
17 be applied to smog check technicians licensed pursuant to this  
18 chapter, if the department determines that is feasible.

19 SEC. 93. Section 44024 of the Health and Safety Code is  
20 amended to read:

21 44024. (a) The department, in cooperation with the state board,  
22 shall investigate new technologies, including the role of onboard  
23 diagnostic systems in vehicles, as a means both for detecting excess  
24 emissions and defective emission control equipment, and for  
25 assisting in determining what repairs would be effective.

26 (b) To incorporate new technologies into the program, the  
27 department may institute the following changes if the department  
28 determines that the changes will be cost-effective and convenient  
29 to vehicle owners:

30 (1) The schedule for testing and certifying vehicles.

31 (2) The location and method for complying with the test  
32 requirements otherwise applicable under this chapter.

33 (3) The equipment requirements and repair procedures,  
34 including the imposition of new or revised diagnostic procedures,  
35 to be used at licensed smog check stations.

36 (4) The training, skill, and licensing requirements for smog  
37 check technicians.

38 (5) The applicable test procedures and emission standards, as  
39 applied at smog check stations, and during roadside inspection.

1 SEC. 94. Section 44081.6 of the Health and Safety Code is  
2 amended to read:

3 44081.6. (a) The California Environmental Protection Agency,  
4 the state board, and the department, in cooperation with, and with  
5 the participation of, the Environmental Protection Agency, shall  
6 jointly undertake a pilot demonstration program to do all of the  
7 following:

8 (1) Determine the emission reduction effectiveness of  
9 alternative loaded mode emission tests compared to the IM240  
10 test.

11 (2) Quantify the emission reductions, above and beyond those  
12 required by Environmental Protection Agency regulation or by the  
13 biennial test requirement, achievable from a remote sensing-based  
14 program that identifies gross polluting and other vehicles and  
15 requires the immediate repair and retest of those gross polluting  
16 vehicles at a test-only station established by this chapter.

17 (3) Determine if high polluting vehicles can be identified and  
18 directed to test-only stations using criteria other than, or in addition  
19 to, age and model year, and whether this reduces the number of  
20 vehicles which would otherwise be subject to inspection at test-only  
21 stations.

22 (4) Qualify emission reductions above and beyond those that  
23 are required by the regulations of the Environmental Protection  
24 Agency, achievable from other program enhancements pursuant  
25 to this chapter.

26 (5) Determine the extent to which the capacity of the test-only  
27 station network established pursuant to Section 44010.5 needs to  
28 be expanded to comply with Environmental Protection Agency  
29 performance standards.

30 (b) The California Environmental Protection Agency shall enter  
31 into a memorandum of agreement with the Environmental  
32 Protection Agency to establish the protocol for the pilot  
33 demonstration program. The memorandum of agreement shall  
34 ensure, to the extent possible, that the Environmental Protection  
35 Agency will accept the results of the pilot demonstration program  
36 as the findings of the Administrator of the Environmental  
37 Protection Agency. The pilot demonstration program shall be  
38 conducted pursuant to the memorandum of agreement.

39 (c) The review committee established pursuant to Section 44021  
40 shall review the protocol for the pilot demonstration program, as

1 established in the signed memorandum of agreement, and  
2 recommend any modification that the review committee finds to  
3 be appropriate for the pilot demonstration program. Any such  
4 modification shall become effective only upon the written  
5 agreement of the California Environmental Protection Agency and  
6 the Environmental Protection Agency.

7 (d) The department shall contract, on behalf of the committee,  
8 with an independent entity to ensure quality control in the  
9 collection of data pursuant to the pilot demonstration program.  
10 The department shall also contract, on behalf of the committee,  
11 for an independent analysis of the data produced by the pilot  
12 demonstration program.

13 (e) Any contract entered into pursuant to this section shall not  
14 be subject to any restrictions that are applicable to contracts in the  
15 Government Code or in the Public Contract Code.

16 (f) To the extent possible, the pilot demonstration program shall  
17 be conducted using equipment, facilities, and staff of the state  
18 board, the department, and the Environmental Protection Agency.

19 (g) The pilot demonstration program shall provide for, but not  
20 be limited to, all of the following:

21 (1) For the purposes of this section, any vehicle subject to the  
22 inspection and maintenance program may be selected to participate  
23 in the pilot demonstration program regardless of when last  
24 inspected pursuant to this chapter.

25 (2) Registered owners of vehicles selected to participate in the  
26 pilot demonstration program shall make the vehicle available for  
27 testing within a time period and at a testing facility designated by  
28 the department. If necessary, the department shall increase the  
29 capacity of the existing referee network in the area or areas where  
30 the pilot demonstration program will be operating, in order to  
31 accommodate the convenient testing of selected vehicles.

32 (3) If the department finds that a vehicle is emitting excessive  
33 emissions, the vehicle owner shall be required to make necessary  
34 repairs within the existing cost limits and return to a testing facility  
35 designated by the department. The vehicle owner shall have  
36 additional repairs made if the repairs are requested and funded by  
37 the department. The department shall also fund the cost of any  
38 necessary repairs if the owner of the vehicle has, within the last  
39 two years, already paid for emissions-related repairs to the same  
40 vehicle in an amount at least equal to the existing cost limits, in

1 order to obtain a certificate of compliance or an emission cost  
2 waiver.

3 (4) Vehicle owners who fail to bring the vehicle in for  
4 inspection or fail to have repairs made pursuant to this section  
5 shall be issued notices of noncompliance. The notice shall provide  
6 that, unless the vehicle is brought to a designated testing facility  
7 for testing, or repair facility for repairs, within 15 days of notice  
8 of the requirement, the owner will be required to pay an  
9 administrative fee of not more than five dollars (\$5) a day, not to  
10 exceed two hundred fifty dollars (\$250), to be collected by the  
11 Department of Motor Vehicles at the next annual registration  
12 renewal or the next change of ownership of the vehicle, whichever  
13 occurs first. Commencing on the 31st day after issuance of the  
14 notice of noncompliance, the fee shall accrue at the rate of five  
15 dollars (\$5) per day up to the two hundred fifty dollars (\$250)  
16 maximum. Except as provided in subdivision (b) of Section  
17 9250.18 of the Vehicle Code, any revenues collected by the  
18 Department of Motor Vehicles pursuant to this subdivision and  
19 Section 9250.18 of the Vehicle Code shall be deposited into the  
20 Vehicle Inspection and Repair Fund by the Department of Motor  
21 Vehicles.

22 (h) The Department of Motor Vehicles, the Department of  
23 Transportation, local agencies, and the state board shall provide  
24 necessary support for the program established pursuant to this  
25 section.

26 (i) As soon as possible after the effective date of this section,  
27 the department and the state board shall develop, implement, and  
28 revise as needed, emissions test procedures and emissions standards  
29 necessary to conduct the pilot demonstration program.

30 SEC. 95. Section 44100 of the Health and Safety Code is  
31 amended to read:

32 44100. The Legislature hereby finds and declares as follows:

33 (a) Emission reduction programs based on market principles  
34 have the potential to provide equivalent or superior environmental  
35 benefits when compared to existing controls at a lower cost to the  
36 citizens of California than traditional emission control  
37 requirements.

38 (b) Several studies have demonstrated that a small percentage  
39 of light-duty vehicles contribute disproportionately to the on-road  
40 emissions inventory. Programs to reduce or eliminate these excess

1 emissions can significantly contribute to the attainment of the  
2 state's air quality goals.

3 (c) Programs to accelerate fleet turnover can enhance the  
4 effectiveness of the state's new motor vehicle standards by bringing  
5 more low-emission vehicles into the on-road fleet earlier.

6 (d) The California State Implementation Plan for Ozone (SIP),  
7 adopted November 15, 1994, and submitted to the Environmental  
8 Protection Agency, calls for added reductions in reactive organic  
9 gases (ROG) and oxides of nitrogen (NO<sub>x</sub>) from light-duty vehicles  
10 by the year 2010. One of the more market-oriented approaches  
11 reflected in the SIP, known as the M-1 strategy, calls for  
12 accelerating the retirement of older light-duty vehicles in the South  
13 Coast Air Quality Management District to achieve the following  
14 emission reductions:

| Year | Emissions, TPD (tons per day)<br>(ROG + NO <sub>x</sub> ) |
|------|---|
| 1999 | 9   |
| 2002 | 14  |
| 2005 | 20  |
| 2007 | 22  |
| 2010 | 25  |

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24 (e) A program for achieving those and more emission reductions  
25 should be based on the following principles:

26 (1) If the program receives adequate funding, the first two years  
27 should include a thorough assessment of the costs and short-term  
28 and long-term emission reduction benefits of the program,  
29 compared with other emission reduction programs for light-duty  
30 vehicles, which shall be reflected in recommendations by the state  
31 board to the Governor and the Legislature on strategies and funding  
32 needs for meeting the emission reduction requirements of the M-1  
33 strategy of the 1994 SIP for the years 1999 to 2010, inclusive.

34 (2) The program should first contribute to the achievement of  
35 the emission reductions required by the inspection and maintenance  
36 program and the M-1 strategy of the 1994 SIP, and should permit  
37 the use of mobile source emission reduction credits for other  
38 purposes currently authorized by the state board or a district.  
39 Remaining credits may be used to achieve other emission  
40 reductions, including those required by the 1994 SIP, in a manner

1 consistent with market-based strategies. Emission credits shall not  
2 be used to offset emission standards or other requirements for new  
3 vehicles, except as authorized by the state board.

4 (3) Participation by the vehicle owner shall be entirely voluntary  
5 and the program design should be sensitive to the concerns of car  
6 collectors and to consumers for whom older vehicles provide  
7 affordable transportation.

8 (4) The program design shall provide for real, surplus, and  
9 quantifiable emission reductions, based on an evaluation of the  
10 purchased vehicles, taking into account factors that include  
11 per-mile emissions, annual miles driven, remaining useful life of  
12 retired vehicles, and emissions of the typical or average  
13 replacement vehicle, as determined by the state board. The program  
14 shall ensure that there is no double counting of emission credits  
15 among the various vehicle removal programs.

16 (5) The program should specify the emission reductions required  
17 and then utilize the market to ensure that these reductions are  
18 obtained at the lowest cost.

19 (6) The program should be privately operated. It should utilize  
20 the experience and expertise gained from past successful programs.  
21 Existing entities that are authorized by, contracted with, or  
22 otherwise sanctioned by a district and approved by the state board  
23 and the United States Environmental Protection Agency shall be  
24 fully utilized for purposes of implementing this article. Nothing  
25 in this paragraph restricts the Department of Consumer Affairs  
26 from selecting qualified contractors to operate or administer any  
27 program specified pursuant to this chapter.

28 (7) The program should be designed insofar as possible to  
29 eliminate any benefit to any participants from vehicle tampering  
30 and other forms of cheating. To the extent that tampering and other  
31 forms of cheating might be advantageous, the program design shall  
32 include provisions for monitoring the occurrence of tampering and  
33 other forms of cheating.

34 (8) Emission credits should be expressed in pounds or other  
35 units, and their value should be set by the marketplace. Any  
36 contract between a public entity and a private party for the purchase  
37 of emission credits should be based on a price per pound which  
38 reflects the market value of the credit at its time of purchase.  
39 Emission reductions required by the M-1 and other strategies of  
40 the 1994 SIP shall be accomplished by competitive bid among

1 private businesses solicited by the oversight agency designated  
2 pursuant to Section 44105.

3 SEC. 96. Section 44104.5 of the Health and Safety Code is  
4 amended to read:

5 44104.5. (a) The regulations adopted pursuant to subdivision  
6 (a) of Section 44101 shall include a plan to guide the execution of  
7 the first two years of the program, to assess the results, and to  
8 formulate recommendations. The plan shall also verify whether  
9 the light-duty vehicle scrapping program included in the state  
10 implementation plan adopted on November 15, 1994, can  
11 reasonably be expected to yield the required emissions reductions  
12 at reasonable cost-effectiveness. Scrapping of any vehicles under  
13 this program for program development or testing or for generating  
14 emission reductions to be credited against the M-1 strategy of the  
15 1994 SIP may proceed before the state board adopts the regulations  
16 pursuant to subdivision (a) of Section 44101 or the plan required  
17 by this subdivision. The emission credits assigned to these vehicles  
18 shall be adjusted as necessary to ensure that those credits are  
19 consistent with the credits allowed under the regulations adopted  
20 pursuant to Section 44101. The plan shall include a baseline study,  
21 for the geographical area or areas representative of those to be  
22 targeted by this program and by measure M-1 in the SIP, of the  
23 current population of vehicles by model year and market value  
24 and the current turnover rate of vehicles, and other factors that  
25 may be essential to assessing program effectiveness,  
26 cost-effectiveness, and market impacts of the program.

27 (b) At the end of each of the two calendar years after the  
28 adoption of the program plan, if the program receives adequate  
29 funding, the state board, in consultation with the department, shall  
30 adopt and publish a progress report evaluating each year of the  
31 program. These reports shall address the following topics for those  
32 vehicles scrapped to achieve both the M-1 SIP objectives and those  
33 vehicles scrapped or repaired to generate mobile-source emission  
34 reduction credits used for other purposes:

35 (1) The number of vehicles scrapped or repaired by model year.

36 (2) The measured emissions of the scrapped or repaired vehicles  
37 tested during the report period, using suitable inspection and  
38 maintenance test procedures.



1 (3) Costs of the vehicles in terms of amounts paid to sellers, the  
2 costs of repair, and the cost-effectiveness of scrapping and repair  
3 expressed in dollars per ton of emissions reduced.

4 (4) Administrative and testing costs for the program.

5 (5) Assessments of the replacement vehicles or replacement  
6 travel by model year or emission levels, as determined from  
7 interviews, questionnaires, diaries, analyses of vehicle registrations  
8 in the study region, or other methods as appropriate.

9 (6) Assessments of the net emission benefits of scrapping in the  
10 year reported, considering the scrapped vehicles, the replacement  
11 vehicles, the effectiveness of repair, and other effects of the  
12 program on the mix of vehicles and use of vehicles in the  
13 geographic area of the program, including in-migration of other  
14 vehicles into the area and any tendencies to increased market value  
15 of used vehicles and prolonged useful life of existing vehicles, if  
16 any.

17 (7) Assessments of whether the M-1 strategy of the 1994 SIP  
18 can reasonably be expected to yield the required emission  
19 reductions.

20 SEC. 97. Section 100500 of the Health and Safety Code is  
21 amended to read:

22 100500. (a) The Director of General Services may acquire  
23 real property in order to construct a laboratory and office facility  
24 or remodeling an existing facility in the City of Richmond, for the  
25 use of the State Department of Health Services.

26 (b) Revenue bonds, negotiable notes, and negotiable bond  
27 anticipation notes may be issued by the State Public Works Board  
28 pursuant to the State Building Construction Act of 1955 (Part 10b  
29 (commencing with Section 15800) of Division 3 of Title 2 of the  
30 Government Code) to finance the acquisition and construction of  
31 a new laboratory and office facility, or remodeling of an existing  
32 facility for the State Department of Health Services in the City of  
33 Richmond. The amount of the bonds plus the cost of equipment  
34 shall not exceed fifty-four million five hundred thousand dollars  
35 (\$54,500,000) as necessary for land acquisition including, but not  
36 limited to, land needed for planned future expansion of the  
37 laboratory and office facility, environmental studies, preliminary  
38 plans, working drawings, construction, furnishings, equipment,  
39 and all related betterments and improvements. Notwithstanding  
40 Section 13332.11 of the Government Code, the State Public Works

1 Board may authorize the augmentation of the amount authorized  
2 under this section for the project by an amount not to exceed 10  
3 percent of the amount appropriated for this project.

4 (c) The State Public Works Board may borrow funds for project  
5 costs from the Pooled Money Investment Account pursuant to  
6 Sections 16312 and 16313 of the Government Code.

7 (d) The amount of revenue bonds, negotiable notes, or  
8 negotiable bond anticipation notes to be sold shall equal the cost  
9 of acquisition, including land, construction, preliminary plans, and  
10 working drawings, construction management and supervision,  
11 other costs relating to the design, construction, or remodeling of  
12 the facilities, and any additional sums necessary to pay interim  
13 and permanent financing costs. The additional amount may include  
14 interest and a reasonable required reserve fund.

15 SEC. 98. Section 102920 of the Health and Safety Code is  
16 repealed.

17 SEC. 99. Section 103641 of the Health and Safety Code is  
18 repealed.

19 SEC. 100. Section 104200 of the Health and Safety Code is  
20 amended to read:

21 104200. (a) Subject to subdivision (e), the department shall  
22 conduct the Cervical Cancer Community Awareness Campaign  
23 to do all of the following:

24 (1) To provide awareness, assistance, and information regarding  
25 cervical cancer and the human papillomavirus (HPV). These efforts  
26 shall include provider education aimed at promoting the awareness  
27 of HPV and its link to cervical cancer. Information regarding  
28 prevention, early detection, options for testing, and treatment costs  
29 shall be included.

30 (2) To promote the availability of preventive treatment for  
31 cervical cancer for women in California.

32 (3) To perform other activities related to cervical cancer.

33 (b) (1) For purposes of the Cervical Cancer Community  
34 Awareness Campaign, the department shall establish a study of  
35 and research regarding cervical cancer.

36 (2) The study and research shall contain, but not be limited to,  
37 statistical information in order to target appropriate regions of the  
38 state with the Cervical Cancer Community Awareness Campaign.  
39 The statistical information shall include, but not be limited to, age,  
40 ethnicity, region, and socioeconomic status of the women in the

1 state in relation to cervical cancer. The research shall provide  
2 studies of current treatment evolutions, possible cures, and the  
3 availability of preventive care for women in the state in relation  
4 to cervical cancer.

5 (c) To the extent feasible and appropriate, the Cervical Cancer  
6 Community Awareness Campaign shall be incorporated into  
7 existing cancer awareness programs operated by the department.

8 (d) There is hereby established in the State Treasury the Cervical  
9 Cancer Fund to be expended by the State Department of Health  
10 Services, upon appropriation of nonstate funds by the Legislature,  
11 solely for the Cervical Cancer Community Awareness Campaign.

12 (e) (1) The department shall conduct the Cervical Cancer  
13 Community Awareness Campaign only if voluntary contributions  
14 are received to support its activities pursuant to this section. The  
15 continued implementation of this section shall be contingent upon  
16 the receipt of voluntary contributions for that purpose.

17 (2) Voluntary contributions received for purposes of this  
18 subdivision shall be deposited into the Cervical Cancer Fund.

19 (f) This section shall be implemented only after the Department  
20 of Finance determines that nonstate funds in an amount sufficient  
21 to fully support the activities of this section have been deposited  
22 with the state. Thereafter, this section shall continue to be  
23 implemented only to the extent that the Department of Finance  
24 determines that sufficient nonstate funds to fully support the  
25 activities of this section have been deposited with the state for  
26 purposes of this section. If the Department of Finance determines  
27 that insufficient voluntary contributions for purposes of  
28 implementing this section have been deposited with the state by  
29 January 1, 2007, the Department of Finance shall notify either the  
30 Chief Clerk of the Assembly or the Secretary of the Senate of this  
31 fact, and this section shall be repealed on January 1, 2007, unless  
32 a later enacted statute, that is enacted before January 1, 2007,  
33 deletes or extends that date.

34 SEC. 101. Section 109951 of the Health and Safety Code is  
35 amended to read:

36 109951. "Infant formula" shall have the same definition as that  
37 term is used in the Federal Food, Drug, and Cosmetic Act (21  
38 U.S.C. Sec. 321(z)). The department shall review all changes to  
39 the federal definition of "infant formula" before those changes are  
40 incorporated by reference pursuant to this section. Within six

1 months after the effective date of any changes to the federal  
2 definition, the department shall complete its review of the changes,  
3 and post a report on its Internet Web site that describes the changes  
4 and makes a recommendation as to whether it is appropriate to  
5 incorporate the changes by reference pursuant to this section. Any  
6 change to the federal definition shall take effect pursuant to this  
7 section one year after the effective date of the federal change,  
8 unless a law that specifically prohibits the change from taking  
9 effect is enacted and becomes effective.

10 SEC. 102. Section 110552 of the Health and Safety Code is  
11 amended to read:

12 110552. (a) The department shall regulate candy to ensure  
13 that the candy is not adulterated.

14 (b) For the purposes of this chapter, “candy” means any  
15 confectionary intended for individual consumption that contains  
16 chili, tamarind, or any other ingredient identified as posing a health  
17 risk in regulations adopted by the office or department.

18 (c) For purposes of this section, the following terms have the  
19 following meanings:

20 (1) “Office” means the Office of Environmental Health Hazard  
21 Assessment.

22 (2) “Adulterated candy” means any candy with lead in excess  
23 of the naturally occurring level. Moreover, candy is adulterated if  
24 its wrapper or the ink on the wrapper contains lead in excess of  
25 standards which the office, in consultation with the department  
26 and the Attorney General, shall establish by July 1, 2006.

27 (3) “Naturally occurring level” of lead in candy shall be  
28 determined by regulations adopted by the office after consultation  
29 with the department and the Attorney General. For purposes of  
30 this section, the “naturally occurring level” of lead in candy is only  
31 naturally occurring to the extent that it is not avoidable by good  
32 agricultural, manufacturing, and procurement practices, or by other  
33 practices currently feasible. The producer and manufacturer of  
34 candy and candy ingredients shall at all times use quality control  
35 measures that reduce the natural chemical contaminants to the  
36 “lowest level currently feasible” as this term is used in subsection  
37 (c) of Section 110.110 of Title 21 of the Code of Federal  
38 Regulations. The “naturally occurring level” of lead shall not  
39 include any lead in an ingredient resulting from agricultural  
40 equipment, fuels used on or around soils or crops, fertilizers,

1 pesticides, or other materials that are applied to soils or crops or  
2 added to water used to irrigate soils or crops. The office shall  
3 determine the naturally occurring levels of lead in candy containing  
4 chili and tamarind no later than July 1, 2006. The office shall  
5 determine the naturally occurring levels of lead in candy containing  
6 other ingredients upon request by the department or the Attorney  
7 General, and in the absence of a request, when the office determines  
8 that the presence of the ingredient in candy may pose a health risk.  
9 Until the office adopts regulations determining the naturally  
10 occurring level of lead, the Attorney General's written  
11 determination, if any, including any determination set forth in a  
12 consent judgment entered into by the Attorney General, of the  
13 naturally occurring level of lead in candy or in a candy ingredient  
14 shall be binding for purposes of this section.

15 (4) "Wrapper" means all packaging materials in contact with  
16 the candy, including, but not limited to, the paper cellophane,  
17 plastic container, stick handle, spoon, small pot (olla), and squeeze  
18 tube, or similar devices. "Wrapper" does not include any part of  
19 the packaging from which lead will not leach, as demonstrated by  
20 the manufacturer, to the satisfaction of the office.

21 (d) The standards adopted pursuant to paragraphs (2) and (3)  
22 of subdivision (c) shall be reviewed by the office every three-year  
23 to five-year period in order to determine whether advances in  
24 scientific knowledge, the development of better agricultural or  
25 manufacturing practices, or changes in detection limits require  
26 revision of the standards.

27 (e) The department shall do all of the following:

28 (1) Ensure that the candy is not adulterated.

29 (2) Establish procedures for the testing of candy and the  
30 certification of unadulterated candy products. The procedures shall  
31 require candy manufacturers to certify candy as being  
32 unadulterated. The certification shall be based on appropriate  
33 sampling and testing protocols as determined by the office in  
34 consultation with the Attorney General's office.

35 (3) Through its Food and Drug Branch, test the samples of candy  
36 collected pursuant to this article. The department may test any  
37 candy, including candy tested pursuant to paragraph (2) in order  
38 to ensure the candy is unadulterated.

39 (4) Adopt regulations necessary for the enforcement of this  
40 article.

1 (5) Evaluate the regulatory process, identify problems, and make  
2 changes or report to the Legislature, as necessary.

3 (f) If the candy tested pursuant to paragraph (2) or (3) of  
4 subdivision (e) is found to be adulterated, the department shall do  
5 both of the following:

6 (1) Issue health advisory notices to county health departments  
7 alerting them to the danger posed by consumption of the candy.

8 (2) Notify the manufacturer and the distributor of the candy that  
9 the candy is adulterated, and that the candy may not be sold or  
10 distributed in the state until further testing proves that the candy  
11 is unadulterated.

12 (g) (1) For any candy found to be adulterated, the manufacturer  
13 or distributor may request that the department test a subsequent  
14 sample of candy. The department shall select the candy to be tested.  
15 The cost of any subsequent sampling and testing shall be borne  
16 by the manufacturer or distributor requesting the additional testing.

17 (2) If the candy is found to be unadulterated when it is retested,  
18 the department shall provide the manufacturer or distributor and  
19 the county health department with a letter stating that the candy  
20 has been retested and determined to be unadulterated, and that the  
21 sale and distribution of the candy in the state may resume.

22 (3) If the candy is found to remain adulterated when retested,  
23 the manufacturer or distributor may take corrective measures and  
24 continue to resubmit samples for testing until tests prove the candy  
25 unadulterated.

26 (h) (1) The sale of adulterated candy to California consumers  
27 is a violation of this section. Any person knowingly and  
28 intentionally selling adulterated candy shall be subject to a civil  
29 penalty of up to five hundred dollars (\$500) per violation. The  
30 regulations adopted shall provide that funding for this section shall  
31 be met in part or in whole by those penalties, upon appropriation  
32 by the Legislature.

33 (2) In the event that a candy product is found to be adulterated,  
34 the department may recover the costs incurred in the chemical  
35 analysis of that product from the manufacturer or distributor.

36 (3) Except as expressly set forth in this section, nothing in this  
37 section shall alter or diminish any legal obligation otherwise  
38 required in common law or by statute or regulation, and nothing  
39 in this section shall create or enlarge any defense in any action to

1 enforce that legal obligation. Penalties imposed under this section  
2 shall be in addition to any penalties otherwise prescribed by law.

3 (4) This section shall not be the basis for any stay of proceedings  
4 or other order limiting or delaying the prosecution of any action  
5 to enforce Section 25249.6.

6 SEC. 103. Section 111198 of the Health and Safety Code is  
7 amended to read:

8 111198. The department shall post-~~annually~~ *annually* on its  
9 Internet Web site, in connection to the entities it regulates under  
10 this article, all of the following information:

11 (a) The total number of licenses, by type and county, issued in  
12 the prior calendar year.

13 (b) The number of inspections performed by the department in  
14 the previous calendar year, broken down by county and license  
15 type.

16 (c) The number and type of major violations, and the actions  
17 taken to correct those violations.

18 (d) The number and dollar value of fines levied under  
19 subdivision (c).

20 SEC. 104. Section 120476 of the Health and Safety Code is  
21 repealed.

22 SEC. 105. Section 120910 of the Health and Safety Code is  
23 amended to read:

24 120910. (a) The department shall collect data from the early  
25 intervention projects, assess the effectiveness of the different  
26 models of early intervention projects.

27 (b) The department shall continuously collect data from each  
28 early intervention project. The data collected may include, but not  
29 be limited to, the following:

30 (1) The total number of clients served.

31 (2) The number of clients utilizing each service provided by  
32 the project.

33 (3) Demographics on clients in the aggregate.

34 (4) The source of funding for each type of service provided.

35 (5) The cost of each type of service provided.

36 (6) Medical treatment modalities utilized in the aggregate.

37 (7) Changes in the clinical status of clients in the aggregate.

38 (8) Changes in behaviors that present risks of transmitting HIV  
39 infection of the clients in the aggregate.

40 (9) The psychosocial changes of clients in the aggregate.

1 (10) Referrals made by the project.

2 (11) Perceived unmet needs of the clients served by the project.

3 (c) The department shall develop and distribute to each early  
4 intervention project forms for data collection that are designed to  
5 elicit information necessary for the department to comply with the  
6 requirements of subdivision (b). The data may be used by the  
7 department to comply with the requirements of subdivision (a).

8 SEC. 106. Section 120955 of the Health and Safety Code is  
9 amended to read:

10 120955. (a) (1) To the extent that state and federal funds are  
11 appropriated in the annual Budget Act for these purposes, the  
12 director shall establish and may administer a program to provide  
13 drug treatments to persons infected with human immunodeficiency  
14 virus (HIV), the etiologic agent of acquired immunodeficiency  
15 syndrome (AIDS). If the director makes a formal determination  
16 that, in any fiscal year, funds appropriated for the program will be  
17 insufficient to provide all of those drug treatments to existing  
18 eligible persons for the fiscal year and that a suspension of the  
19 implementation of the program is necessary, the director may  
20 suspend eligibility determinations and enrollment in the program  
21 for the period of time necessary to meet the needs of existing  
22 eligible persons in the program.

23 (2) The director, in consultation with the AIDS Drug Assistance  
24 Program Medical Advisory Committee, shall develop, maintain,  
25 and update as necessary a list of drugs to be provided under this  
26 program. The list shall be exempt from the requirements of the  
27 Administrative Procedure Act (Chapter 3.5 (commencing with  
28 Section 11340), Chapter 4 (commencing with Section 11370), and  
29 Chapter 5 (commencing with Section 11500) of Part 1 of Division  
30 3 of Title 2 of the Government Code), and shall not be subject to  
31 the review and approval of the Office of Administrative Law..

32 (b) The director may grant funds to a county public health  
33 department through standard agreements to administer this program  
34 in that county. To maximize the recipients' access to drugs covered  
35 by this program, the director shall urge the county health  
36 department in counties granted these funds to decentralize  
37 distribution of the drugs to the recipients.

38 (c) The director shall establish a rate structure for reimbursement  
39 for the cost of each drug included in the program. Rates shall not  
40 be less than the actual cost of the drug. However, the director may



1 purchase a listed drug directly from the manufacturer and negotiate  
2 the most favorable bulk price for that drug.

3 (d) Manufacturers of the drugs on the list shall pay the  
4 department a rebate equal to the rebate that would be applicable  
5 to the drug under Section 1927(c) of the federal Social Security  
6 Act (42 U.S.C. Sec. 1396r-8(c)) plus an additional rebate to be  
7 negotiated by each manufacturer with the department, except that  
8 no rebates shall be paid to the department under this section on  
9 drugs for which the department has received a rebate under Section  
10 1927(c) of the federal Social Security Act (42 U.S.C. Sec.  
11 1396r-8(c)) or that have been purchased on behalf of county health  
12 departments or other eligible entities at discount prices made  
13 available under Section 256b of Title 42 of the United States Code.

14 (e) The department shall submit an invoice, not less than two  
15 times per year, to each manufacturer for the amount of the rebate  
16 required by subdivision (d).

17 (f) Drugs may be removed from the list for failure to pay the  
18 rebate required by subdivision (d), unless the department  
19 determines that removal of the drug from the list would cause  
20 substantial medical hardship to beneficiaries.

21 (g) The department may adopt emergency regulations to  
22 implement amendments to this chapter made during the 1997–98  
23 Regular Session, in accordance with the Administrative Procedure  
24 Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of  
25 Division 3 of Title 2 of the Government Code). The initial adoption  
26 of emergency regulations shall be deemed to be an emergency and  
27 considered by the Office of Administrative Law as necessary for  
28 the immediate preservation of the public peace, health and safety,  
29 or general welfare. Emergency regulations adopted pursuant to  
30 this section shall remain in effect for no more than 180 days.

31 (h) Reimbursement under this chapter shall not be made for any  
32 drugs that are available to the recipient under any other private,  
33 state, or federal programs, or under any other contractual or legal  
34 entitlements, except that the director may authorize an exemption  
35 from this subdivision where exemption would represent a cost  
36 savings to the state.

37 (i) The department may also subsidize certain cost-sharing  
38 requirements for persons otherwise eligible for the AIDS Drug  
39 Assistance Program (ADAP) with existing non-ADAP drug  
40 coverage by paying for prescription drugs included on the ADAP

1 formulary within the existing ADAP operational structure up to,  
2 but not exceeding, the amount of that cost-sharing obligation. This  
3 cost sharing may only be applied in circumstances in which the  
4 other payer recognizes the ADAP payment as counting toward the  
5 individual's cost-sharing obligation.

6 SEC. 107. Section 121285 of the Health and Safety Code is  
7 amended to read:

8 121285. (a) The Disease Prevention Demonstration Project,  
9 a collaboration between pharmacies and local and state health  
10 officials, is hereby authorized for the purpose of evaluating the  
11 long-term desirability of allowing licensed pharmacists to furnish  
12 or sell nonprescription hypodermic needles or syringes to prevent  
13 the spread of blood-borne pathogens, including HIV and hepatitis  
14 C.

15 (b) The State Department of Health Services shall evaluate the  
16 effects of allowing pharmacists to furnish or sell a limited number  
17 of hypodermic needles or syringes without prescription. The State  
18 Department of Health Services is encouraged to seek funding from  
19 private and federal sources to pay for the evaluation.

20 (c) The State Department of Health Services shall convene an  
21 uncompensated evaluation advisory panel comprised of all of the  
22 following: two or more specialists in the control of infectious  
23 diseases; one or more representatives of the California State Board  
24 of Pharmacy; one or more representatives of independent  
25 pharmacies; one or more representatives of chain pharmacy owners;  
26 one or more representatives of law enforcement executives, such  
27 as police chiefs and sheriffs; one or more representatives of rank  
28 and file law enforcement officers; a specialist in hazardous waste  
29 management from the State Department of Health Services; one  
30 or more representatives of the waste management industry; and  
31 one or more representatives of local health officers.

32 (d) In order to furnish or sell nonprescription hypodermic  
33 needles or syringes as part of the Disease Prevention Demonstration  
34 Project in a county or city that has provided authorization pursuant  
35 to Section 4145 of the Business and Professions Code, a pharmacy  
36 shall do all of the following:

37 (1) Register with the local health department by providing a  
38 contact name and related information, and certify that it will  
39 provide, at the time of furnishing or sale of hypodermic needles

1 or syringes, written information or verbal counseling on all of the  
2 following:

3 (A) How to access drug treatment.

4 (B) How to access testing and treatment for HIV and hepatitis

5 C.

6 (C) How to safely dispose of sharps waste.

7 (2) Store hypodermic needles and syringes so that they are  
8 available only to authorized personnel, and not openly available  
9 to customers.

10 (3) In order to provide for the safe disposal of hypodermic  
11 needles and syringes, a registered pharmacy shall provide one or  
12 more of the following options:

13 (A) An onsite safe hypodermic needle and syringe collection  
14 and disposal program.

15 (B) Furnish or make available for purchase mail-back sharps  
16 disposal containers authorized by the United States Postal Service  
17 that meet applicable state and federal requirements, and provide  
18 tracking forms to verify destruction at a certified disposal facility.

19 (C) Furnish or make available for purchase personal sharps  
20 disposal containers that meet state and federal standards for  
21 disposal of medical waste.

22 (e) Local health departments shall be responsible for all of the  
23 following:

24 (1) Maintaining a list of all pharmacies within the local health  
25 department's jurisdiction that have registered under the Disease  
26 Prevention Demonstration Project.

27 (2) Making available to pharmacies written information that  
28 may be provided or reproduced to be provided in writing or orally  
29 by the pharmacy at the time of furnishing or the sale of  
30 nonprescription hypodermic needles or syringes, including all of  
31 the following:

32 (A) How to access drug treatment.

33 (B) How to access testing and treatment for HIV and hepatitis

34 C.

35 (C) How to safely dispose of sharps waste.

36 (f) As used in this chapter, "sharps waste" means hypodermic  
37 needles, syringes, and lancets.

38 SEC. 108. Section 121340 of the Health and Safety Code is  
39 amended to read:

1 121340. (a) The State Department of Health Services, in  
2 consultation with the California Conference of Local Health  
3 Officers, the California Medical Association, HIV treatment  
4 providers, and public health and other stakeholders, shall  
5 determine, no later than December 31, 2005, whether California's  
6 HIV reporting system has achieved compliance with standards and  
7 criteria necessary to ensure continued federal funding for California  
8 under the federal Ryan White Comprehensive AIDS Resources  
9 Emergency (CARE) Act of 1990 (Public Law 101-381), as  
10 amended October 20, 2000 (Public Law 106-345).

11 (b) The department shall inform the appropriate committees of  
12 the Legislature of its findings under subdivision (a) by December  
13 31, 2005.

14 SEC. 109. Section 123516 of the Health and Safety Code is  
15 amended to read:

16 123516. (a) The department, in consultation with the program  
17 administrators, may contract with one or more qualified  
18 organizations to assist the department in ensuring that grantees  
19 implement the program as established under Section 123491 and  
20 to conduct an annual evaluation of the implementation of the grant  
21 program on a statewide basis. The first evaluation shall be due 12  
22 months after the award of grants pursuant to Section 123492.

23 (b) (1) In conducting its monitoring and evaluation activities,  
24 the department shall be guided by program performance standards  
25 developed by the department in consultation with the Nurse-Family  
26 Partnership program.

27 (2) The annual evaluation shall contain, but not be limited to,  
28 the extent to which each grantee participating in the program has  
29 done each of the following:

30 (A) Recruited a population of low-income, first-time mothers.

31 (B) Enrolled families early in pregnancy and followed them  
32 through the second birthday of the child.

33 (C) Conducted visits that are of comparable frequency, duration,  
34 and content as those delivered in the randomized clinical trials of  
35 the program.

36 (D) Assessed the health and well-being of the mothers and  
37 children enrolled in the program according to common indicators  
38 of maternal, child, and family health.

39 SEC. 110. Section 124174.5 of the Health and Safety Code is  
40 amended to read:

1 124174.5. The program, in collaboration with the State  
2 Department of Education, shall act as a liaison for school-based  
3 health centers.

4 SEC. 111. Section 124590 of the Health and Safety Code is  
5 amended to read:

6 124590. The Legislature finds and declares that the health  
7 status of many American Indians in California is not adequate.

8 It is, therefore, the intent of the Legislature to insure that in  
9 addition to funding provided pursuant to the American Indian  
10 Health Service program, sufficient funding is provided to American  
11 Indians from other programs in order to substantially improve their  
12 access to health services. These programs include, but are not  
13 limited to, the following:

- 14 (a) Rural health services.
- 15 (b) Mental health services.
- 16 (c) Developmental disability programs.
- 17 (d) Maternal and child health programs.
- 18 (e) Alcoholism programs.
- 19 (f) Programs for the aging.
- 20 (g) Environmental health programs.

21 SEC. 112. Section 124925 of the Health and Safety Code is  
22 repealed.

23 SEC. 113. Section 128557.5 of the Health and Safety Code is  
24 repealed.

25 SEC. 114. Section 128600 of the Health and Safety Code is  
26 amended to read:

27 128600. The Legislature finds and declares that the oversight  
28 and reporting requirements of the demonstration project established  
29 in this section are equal to, or exceed similar licensing standards  
30 for other health facilities.

31 (a) The Office of Statewide Health Planning and Development  
32 shall conduct a demonstration project to evaluate the  
33 accommodation of postsurgical care patients for periods not  
34 exceeding two days, except that the attending physician and  
35 surgeon may require that the stay be extended to no more than  
36 three days.

37 (b) (1) The demonstration project shall operate for a period  
38 not to exceed six years, for no more than 12 project sites, one of  
39 which shall be located in Fresno County. However, the  
40 demonstration project shall be extended an additional six years,

1 to September 30, 2000, only for those project sites that were  
2 approved by the Office of Statewide Health Planning and  
3 Development and operational prior to January 1, 1994.

4 (2) Any of the 12 project sites may be distinct parts of health  
5 facilities, or any of those sites may be physically freestanding from  
6 health facilities. None of the project sites that are designated as  
7 distinct parts of health facilities, shall be located in the service area  
8 of any one of the six freestanding project sites. None of the project  
9 sites that are designated as distinct parts of health facilities shall  
10 have a service area that overlaps with any one or more service  
11 areas of the freestanding pilot sites. For the purposes of this section,  
12 service area shall be defined by the office.

13 (c) (1) The office shall establish standards for participation,  
14 commensurate with the needs of postsurgical care patients requiring  
15 temporary nursing services following outpatient surgical  
16 procedures.

17 (2) In preparing the standards for participation, the office may,  
18 as appropriate, consult with the State Department of Health  
19 Services and a technical advisory committee that may be appointed  
20 by the Director of the Office of Statewide Health Planning and  
21 Development. The committee shall have no more than eight  
22 members, all of whom shall be experts in health care, as determined  
23 by the director of the office. One of the members of the committee  
24 shall, as determined by the director of the office, have specific  
25 expertise in the area of pediatric surgery and recovery care.

26 (3) If a technical advisory committee is established by the  
27 director of the office, members of the committee shall be  
28 reimbursed for any actual and necessary expenses incurred in  
29 connection with their duties as members of the committee.

30 (d) The office shall establish and administer the demonstration  
31 project in facilities with no more than 20 beds that continuously  
32 meet the standards of skilled nursing facilities licensed under  
33 subdivision (c) of Section 1250, except that the office may, as  
34 appropriate and unless a danger to patients would be created,  
35 eliminate or modify the standards. This section shall not prohibit  
36 general acute care hospitals from participating in the demonstration  
37 project. The office may waive those building standards applicable  
38 to a project site that is a distinct part of a health facility that are  
39 inappropriate, as determined by the office, to the demonstration  
40 project. Notwithstanding health facility licensing regulations

1 contained in Division 5 (commencing with Section 70001) of Title  
2 22 of the California Code of Regulations, a project site that is a  
3 distinct part of a health facility shall comply with all standards for  
4 participation established by the office and with all regulations  
5 adopted by the office to implement this section. A project site that  
6 is a distinct part of a health facility shall not, for the duration of  
7 the pilot project, be subject to Division 5 (commencing with  
8 Section 70001) of Title 22 of the California Code of Regulations  
9 which conflict, as determined by the office, with the demonstration  
10 project standards or regulations.

11 (e) The office shall issue a facility identification number to  
12 each facility selected for participation in the demonstration project.

13 (f) Persons who wish to establish recovery care programs shall  
14 make application to the office for inclusion in the pilot program.  
15 Applications shall be made on forms provided by the office and  
16 shall contain sufficient information determined as necessary by  
17 the office.

18 (g) As a condition of participation in the pilot program, each  
19 applicant shall agree to provide statistical data and patient  
20 information that the office deems necessary for effective evaluation.  
21 It is the intent of the Legislature that the office shall develop  
22 procedures to assure the confidentiality of patient information and  
23 shall only disclose patient information, including name  
24 identification, as is necessary pursuant to this section or any other  
25 law.

26 (h) Any authorized officer, employee, or agent of the office  
27 may, upon presentation of proper identification, enter and inspect  
28 any building or premises and any records, including patient records,  
29 of a pilot project participant at any reasonable time to review  
30 compliance with, or to prevent any violation of, this section or the  
31 regulations and standards adopted thereunder.

32 (i) The office may suspend or withdraw approval of any or all  
33 pilot projects with notice, but without hearing if it determines that  
34 patient safety is being jeopardized.

35 (j) The office may charge applicants and participants in the  
36 program a reasonable fee to cover its actual cost of administering  
37 the pilot program and the cost of any committee established by  
38 this section. The facilities participating in the pilot project shall  
39 pay fees that equal the amount of any increase in fiscal costs

1 incurred by the state as a result of the extension of the pilot project  
2 until September 30, 2000, pursuant to subdivision (b).

3 (k) The office may contract with a medical consultant or other  
4 advisers as necessary, as determined by the office. Due to the  
5 necessity to expedite the demonstration project and its extremely  
6 specialized nature, the contracts shall be exempt from Section  
7 10373 of the Public Contract Code, and shall be considered  
8 sole-source contracts.

9 (l) The office may adopt emergency regulations to implement  
10 this section in accordance with Section 11346.1 of the Government  
11 Code, except that the regulations shall be exempt from the  
12 requirements of subdivisions (e), (f), and (g) of that section. The  
13 regulations shall be deemed an emergency for the purposes of  
14 Section 11346.1.

15 Applications to establish any of the four project sites authorized  
16 by the amendments made to this section during the 1987–88  
17 Regular Session of the California Legislature shall be considered  
18 by the office from among the applications submitted to it in  
19 response to its initial request for proposal process.

20 (m) Any administrative opinion, decision, waiver, permit, or  
21 finding issued by the office prior to July 1, 1990, with respect to  
22 any of the demonstration projects approved by the office prior to  
23 July 1, 1990, shall automatically be extended by the office to  
24 remain fully effective as long as the demonstration projects are  
25 required to operate pursuant to this section.

26 (n) The office shall not grant approval to a postsurgical recovery  
27 care facility, as defined in Section 97500.111 of Title 22 of the  
28 California Code of Regulations, that is freestanding, as defined in  
29 Section 97500.49 of Title 22 of the California Code of Regulations,  
30 to begin operation as a participating demonstration project if it is  
31 located in the County of Solano.

32 (o) Participants in the demonstration program for postsurgical  
33 recovery facilities shall not be precluded from receiving  
34 reimbursement from, or conducting good faith negotiations with,  
35 a third-party payor solely on the basis that the participant is  
36 engaged in a demonstration program and accordingly is not  
37 licensed.

38 SEC. 115. Section 130252 of the Health and Safety Code is  
39 amended to read:



1 130252. (a) Subject to available funding, the California Health  
2 and Human Services Agency shall be responsible for ensuring that  
3 all federal grant deliverables are met. The agency shall coordinate  
4 electronic health activities in the state and work with stakeholders,  
5 state departments, and the Legislature to support policy needs for  
6 health information technology and health information exchange  
7 in California.

8 (b) In the event that a state governance entity is established, all  
9 of the following conditions shall be met:

10 (1) The agency shall be responsible for ensuring that all  
11 deliverables established in the strategic and operational plans  
12 established pursuant to subdivision (e) of Section 130251, and as  
13 required by the federal grant, are met.

14 (2) Any grant issued by the agency to the state governance entity  
15 for health information exchange shall be deliverables based. All  
16 deliverables shall be subject to approval and acceptance by the  
17 agency.

18 (c) The agency, state-designated entity, or the state governance  
19 entity shall establish and begin providing health information  
20 exchange services by January 1, 2012.

21 (d) The state-designated entity or state governance entity shall  
22 ensure that an effective model for health information exchange  
23 governance and accountability is in place. In order to avoid any  
24 real or apparent conflict of interest, the state-designated entity or  
25 state governance entity shall ensure organizational and functional  
26 separation exists between the governance functions of the entity  
27 and its operational functions, specifically between operating entities  
28 that are or may be involved in building and maintaining the health  
29 information exchange. The agency shall conduct periodic internal  
30 reviews at least once after an entity has received the designation,  
31 and periodically as necessary, to ensure this separation is  
32 maintained, and that the state-designated entity or state governance  
33 entity operates in a manner that ensures organizational integrity  
34 and accountability.

35 (e) The state-designated entity or state governance entity shall  
36 provide a process for public comment and input, which may include  
37 integrating public workgroups convened by the agency during the  
38 operational planning process into its organizational structure.

39 (f) The state-designated entity or state governance entity, in  
40 consultation with the Office of Health Information Integrity, shall

1 develop detailed standards and policies to be included in all  
2 contracts with health care entities that are participants of the  
3 state-designated entity's or governance entity's health information  
4 exchange for health information exchange services provided by  
5 the applicable entity. The state-designated entity or state  
6 governance entity shall also work with the Office of Health  
7 Information Integrity to ensure standardization of privacy and  
8 security policies for health information exchange statewide. The  
9 state-designated entity or state governance entity shall develop  
10 operational policies based on privacy and security guidelines  
11 developed by the state, and create a uniform set of privacy and  
12 security rules to be used by other entities participating in health  
13 information exchanges established by the state-designated entity  
14 or state governance entity for health information exchange or a  
15 contract made by the applicable entity for health information  
16 exchange.

17 (g) Any contract for state designation or subgrant agreement  
18 pursuant to this section shall be made through an open and  
19 competitive process as required by federal law.

20 (h) The state designated entity or state governance entity shall  
21 comply with applicable provisions of the federal Health  
22 Information Technology for Economic and Clinical Health Act  
23 (HITECH Act; Public Law 111-5), the federal Public Health  
24 Service Act (42 U.S.C. Sec. 300x-26), and applicable federal  
25 policies, guidance, and requirements. These provisions shall  
26 include, but are not limited to, the requirement that funds be used  
27 to conduct activities to facilitate and expand the electronic  
28 movement and use of health information among organizations  
29 according to nationally recognized standards in effect on December  
30 31, 2010.

31 SEC. 116. Section 1872.1 of the Insurance Code is repealed.

32 SEC. 117. Section 111 of the Labor Code is amended to read:

33 111. The Workers' Compensation Appeals Board, consisting  
34 of seven members, shall exercise all judicial powers vested in it  
35 under this code. In all other respects, the Division of Workers'  
36 Compensation is under the control of the administrative director  
37 and, except as to those duties, powers, jurisdiction, responsibilities,  
38 and purposes as are specifically vested in the appeals board, the  
39 administrative director shall exercise the powers of the head of a  
40 department within the meaning of Article 1 (commencing with

1 Section 11150) of Chapter 2 of Part 1 of Division 3 of Title 2 of  
2 the Government Code with respect to the Division of Workers'  
3 Compensation which shall include supervision of, and  
4 responsibility for, personnel, and the coordination of the work of  
5 the division, except personnel of the appeals board.

6 SEC. 118. Section 3201.5 of the Labor Code is amended to  
7 read:

8 3201.5. (a) Except as provided in subdivisions (b) and (c), the  
9 Department of Industrial Relations and the courts of this state shall  
10 recognize as valid and binding any provision in a collective  
11 bargaining agreement between a private employer or groups of  
12 employers engaged in construction, construction maintenance, or  
13 activities limited to rock, sand, gravel, cement and asphalt  
14 operations, heavy-duty mechanics, surveying, and construction  
15 inspection and a union that is the recognized or certified exclusive  
16 bargaining representative that establishes any of the following:

17 (1) An alternative dispute resolution system governing disputes  
18 between employees and employers or their insurers that  
19 supplements or replaces all or part of those dispute resolution  
20 processes contained in this division, including, but not limited to,  
21 mediation and arbitration. Any system of arbitration shall provide  
22 that the decision of the arbiter or board of arbitration is subject to  
23 review by the appeals board in the same manner as provided for  
24 reconsideration of a final order, decision, or award made and filed  
25 by a workers' compensation administrative law judge pursuant to  
26 the procedures set forth in Article 1 (commencing with Section  
27 5900) of Chapter 7 of Part 4 of Division 4, and the court of appeals  
28 pursuant to the procedures set forth in Article 2 (commencing with  
29 Section 5950) of Chapter 7 of Part 4 of Division 4, governing  
30 orders, decisions, or awards of the appeals board. The findings of  
31 fact, award, order, or decision of the arbitrator shall have the same  
32 force and effect as an award, order, or decision of a workers'  
33 compensation administrative law judge. Any provision for  
34 arbitration established pursuant to this section shall not be subject  
35 to Sections 5270, 5270.5, 5271, 5272, 5273, 5275, and 5277.

36 (2) The use of an agreed list of providers of medical treatment  
37 that may be the exclusive source of all medical treatment provided  
38 under this division.

39 (3) The use of an agreed, limited list of qualified medical  
40 evaluators and agreed medical evaluators that may be the exclusive

1 source of qualified medical evaluators and agreed medical  
2 evaluators under this division.

3 (4) Joint labor management safety committees.

4 (5) A light-duty, modified job or return-to-work program.

5 (6) A vocational rehabilitation or retraining program utilizing  
6 an agreed list of providers of rehabilitation services that may be  
7 the exclusive source of providers of rehabilitation services under  
8 this division.

9 (b) (1) Nothing in this section shall allow a collective bargaining  
10 agreement that diminishes the entitlement of an employee to  
11 compensation payments for total or partial disability, temporary  
12 disability, vocational rehabilitation, or medical treatment fully paid  
13 by the employer as otherwise provided in this division. The portion  
14 of any agreement that violates this paragraph shall be declared null  
15 and void.

16 (2) The parties may negotiate any aspect of the delivery of  
17 medical benefits and the delivery of disability compensation to  
18 employees of the employer or group of employers that are eligible  
19 for group health benefits and nonoccupational disability benefits  
20 through their employer.

21 (c) Subdivision (a) shall apply only to the following:

22 (1) An employer developing or projecting an annual workers'  
23 compensation insurance premium, in California, of two hundred  
24 fifty thousand dollars (\$250,000) or more, or any employer that  
25 paid an annual workers' compensation insurance premium, in  
26 California, of two hundred fifty thousand dollars (\$250,000) in at  
27 least one of the previous three years.

28 (2) Groups of employers engaged in a workers' compensation  
29 safety group complying with Sections 11656.6 and 11656.7 of the  
30 Insurance Code, and established pursuant to a joint labor  
31 management safety committee or committees, that develops or  
32 projects annual workers' compensation insurance premiums of  
33 two million dollars (\$2,000,000) or more.

34 (3) Employers or groups of employers that are self-insured in  
35 compliance with Section 3700 that would have projected annual  
36 workers' compensation costs that meet the requirements of, and  
37 that meet the other requirements of, paragraph (1) in the case of  
38 employers, or paragraph (2) in the case of groups of employers.

39 (4) Employers covered by an owner or general contractor  
40 provided wrap-up insurance policy applicable to a single

1 construction site that develops workers' compensation insurance  
2 premiums of two million dollars (\$2,000,000) or more with respect  
3 to those employees covered by that wrap-up insurance policy.

4 (d) Employers and labor representatives who meet the eligibility  
5 requirements of this section shall be issued a letter by the  
6 administrative director advising each employer and labor  
7 representative that, based upon the review of all documents and  
8 materials submitted as required by the administrative director, each  
9 has met the eligibility requirements of this section.

10 (e) The premium rate for a policy of insurance issued pursuant  
11 to this section shall not be subject to the requirements of Section  
12 11732 or 11732.5 of the Insurance Code.

13 (f) No employer may establish or continue a program established  
14 under this section until it has provided the administrative director  
15 with all of the following:

16 (1) Upon its original application and whenever it is renegotiated  
17 thereafter, a copy of the collective bargaining agreement and the  
18 approximate number of employees who will be covered thereby.

19 (2) Upon its original application and annually thereafter, a valid  
20 and active license where that license is required by law as a  
21 condition of doing business in the state within the industries set  
22 forth in subdivision (a) of Section 3201.5.

23 (3) Upon its original application and annually thereafter, a  
24 statement signed under penalty of perjury, that no action has been  
25 taken by any administrative agency or court of the United States  
26 to invalidate the collective bargaining agreement.

27 (4) The name, address, and telephone number of the contact  
28 person of the employer.

29 (5) Any other information that the administrative director deems  
30 necessary to further the purposes of this section.

31 (g) No collective bargaining representative may establish or  
32 continue to participate in a program established under this section  
33 unless all of the following requirements are met:

34 (1) Upon its original application and annually thereafter, it has  
35 provided to the administrative director a copy of its most recent  
36 LM-2 or LM-3 filing with the United States Department of Labor,  
37 along with a statement, signed under penalty of perjury, that the  
38 document is a true and correct copy.

(2) It has provided to the administrative director the name, address, and telephone number of the contact person or persons of the collective bargaining representative or representatives.

(h) Commencing July 1, 1995, and annually thereafter, the Division of Workers' Compensation shall report to the Director of the Department of Industrial Relations the number of collective bargaining agreements received and the number of employees covered by these agreements.

(i) The data obtained by the administrative director pursuant to this section shall be confidential and not subject to public disclosure under any law of this state. However, the Division of Workers' Compensation shall create derivative works pursuant to subdivision (h) based on the collective bargaining agreements and data. Those derivative works shall not be confidential, but shall be public. On a monthly basis the administrative director shall make available an updated list of employers and unions entering into collective bargaining agreements containing provisions authorized by this section.

SEC. 119. Section 3201.7 of the Labor Code is amended to read:

3201.7. (a) Except as provided in subdivision (b), the Department of Industrial Relations and the courts of this state shall recognize as valid and binding any labor-management agreement that meets all of the following requirements:

(1) The labor-management agreement has been negotiated separate and apart from any collective bargaining agreement covering affected employees.

(2) The labor-management agreement is restricted to the establishment of the terms and conditions necessary to implement this section.

(3) The labor-management agreement has been negotiated in accordance with the authorization of the administrative director pursuant to subdivision (d), between an employer or groups of employers and a union that is the recognized or certified exclusive bargaining representative that establishes any of the following:

(A) An alternative dispute resolution system governing disputes between employees and employers or their insurers that supplements or replaces all or part of those dispute resolution processes contained in this division, including, but not limited to, mediation and arbitration. Any system of arbitration shall provide

1 that the decision of the arbiter or board of arbitration is subject to  
2 review by the appeals board in the same manner as provided for  
3 reconsideration of a final order, decision, or award made and filed  
4 by a workers' compensation administrative law judge pursuant to  
5 the procedures set forth in Article 1 (commencing with Section  
6 5900) of Chapter 7 of Part 4 of Division 4, and the court of appeals  
7 pursuant to the procedures set forth in Article 2 (commencing with  
8 Section 5950) of Chapter 7 of Part 4 of Division 4, governing  
9 orders, decisions, or awards of the appeals board. The findings of  
10 fact, award, order, or decision of the arbitrator shall have the same  
11 force and effect as an award, order, or decision of a workers'  
12 compensation administrative law judge. Any provision for  
13 arbitration established pursuant to this section shall not be subject  
14 to Sections 5270, 5270.5, 5271, 5272, 5273, 5275, and 5277.

15 (B) The use of an agreed list of providers of medical treatment  
16 that may be the exclusive source of all medical treatment provided  
17 under this division.

18 (C) The use of an agreed, limited list of qualified medical  
19 evaluators and agreed medical evaluators that may be the exclusive  
20 source of qualified medical evaluators and agreed medical  
21 evaluators under this division.

22 (D) Joint labor management safety committees.

23 (E) A light-duty, modified job, or return-to-work program.

24 (F) A vocational rehabilitation or retraining program utilizing  
25 an agreed list of providers of rehabilitation services that may be  
26 the exclusive source of providers of rehabilitation services under  
27 this division.

28 (b) (1) Nothing in this section shall allow a labor-management  
29 agreement that diminishes the entitlement of an employee to  
30 compensation payments for total or partial disability, temporary  
31 disability, vocational rehabilitation, or medical treatment fully paid  
32 by the employer as otherwise provided in this division; nor shall  
33 any agreement authorized by this section deny to any employee  
34 the right to representation by counsel at all stages during the  
35 alternative dispute resolution process. The portion of any agreement  
36 that violates this paragraph shall be declared null and void.

37 (2) The parties may negotiate any aspect of the delivery of  
38 medical benefits and the delivery of disability compensation to  
39 employees of the employer or group of employers that are eligible

1 for group health benefits and nonoccupational disability benefits  
2 through their employer.

3 (c) Subdivision (a) shall apply only to the following:

4 (1) An employer developing or projecting an annual workers'  
5 compensation insurance premium, in California, of fifty thousand  
6 dollars (\$50,000) or more, and employing at least 50 employees,  
7 or any employer that paid an annual workers' compensation  
8 insurance premium, in California, of fifty thousand dollars  
9 (\$50,000), and employing at least 50 employees in at least one of  
10 the previous three years.

11 (2) Groups of employers engaged in a workers' compensation  
12 safety group complying with Sections 11656.6 and 11656.7 of the  
13 Insurance Code, and established pursuant to a joint labor  
14 management safety committee or committees, that develops or  
15 projects annual workers' compensation insurance premiums of  
16 five hundred thousand dollars (\$500,000) or more.

17 (3) Employers or groups of employers, including cities and  
18 counties, that are self-insured in compliance with Section 3700  
19 that would have projected annual workers' compensation costs  
20 that meet the requirements of, and that meet the other requirements  
21 of, paragraph (1) in the case of employers, or paragraph (2) in the  
22 case of groups of employers.

23 (d) Any recognized or certified exclusive bargaining  
24 representative in an industry not covered by Section 3201.5, may  
25 file a petition with the administrative director seeking permission  
26 to negotiate with an employer or group of employers to enter into  
27 a labor-management agreement pursuant to this section. The  
28 petition shall specify the bargaining unit or units to be included,  
29 the names of the employers or groups of employers, and shall be  
30 accompanied by proof of the labor union's status as the exclusive  
31 bargaining representative. The current collective bargaining  
32 agreement or agreements shall be attached to the petition. The  
33 petition shall be in the form designated by the administrative  
34 director. Upon receipt of the petition, the administrative director  
35 shall promptly verify the petitioner's status as the exclusive  
36 bargaining representative. If the petition satisfies the requirements  
37 set forth in this subdivision, the administrative director shall issue  
38 a letter advising each employer and labor representative of their  
39 eligibility to enter into negotiations, for a period not to exceed one  
40 year, for the purpose of reaching agreement on a labor-management



1 agreement pursuant to this section. The parties may jointly request,  
2 and shall be granted, by the administrative director, an additional  
3 one-year period to negotiate an agreement.

4 (e) No employer may establish or continue a program established  
5 under this section until it has provided the administrative director  
6 with all of the following:

7 (1) Upon its original application and whenever it is renegotiated  
8 thereafter, a copy of the labor-management agreement and the  
9 approximate number of employees who will be covered thereby.

10 (2) Upon its original application and annually thereafter, a  
11 statement signed under penalty of perjury, that no action has been  
12 taken by any administrative agency or court of the United States  
13 to invalidate the labor-management agreement.

14 (3) The name, address, and telephone number of the contact  
15 person of the employer.

16 (4) Any other information that the administrative director deems  
17 necessary to further the purposes of this section.

18 (f) No collective bargaining representative may establish or  
19 continue to participate in a program established under this section  
20 unless all of the following requirements are met:

21 (1) Upon its original application and annually thereafter, it has  
22 provided to the administrative director a copy of its most recent  
23 LM-2 or LM-3 filing with the United States Department of Labor,  
24 where such filing is required by law, along with a statement, signed  
25 under penalty of perjury, that the document is a true and correct  
26 copy.

27 (2) It has provided to the administrative director the name,  
28 address, and telephone number of the contact person or persons  
29 of the collective bargaining representative or representatives.

30 (g) Commencing July 1, 2005, and annually thereafter, the  
31 Division of Workers' Compensation shall report to the Director  
32 of Industrial Relations the number of labor-management  
33 agreements received and the number of employees covered by  
34 these agreements.

35 (h) The data obtained by the administrative director pursuant  
36 to this section shall be confidential and not subject to public  
37 disclosure under any law of this state. However, the Division of  
38 Workers' Compensation shall create derivative works pursuant to  
39 subdivisions (f) and (g) based on the labor-management agreements  
40 and data. Those derivative works shall not be confidential, but

1 shall be public. On a monthly basis, the administrative director  
2 shall make available an updated list of employers and unions  
3 entering into labor-management agreements authorized by this  
4 section.

5 SEC. 120. Section 3716.1 of the Labor Code is amended to  
6 read:

7 3716.1. (a) In any hearing, investigation, or proceeding, the  
8 Attorney General, or attorneys of the Department of Industrial  
9 Relations, shall represent the director and the state. Expenses  
10 incident to representation of the director and the state, before the  
11 appeals board and in civil court, by the Attorney General or  
12 Department of Industrial Relations attorneys, shall be reimbursed  
13 from the Workers' Compensation Administration Revolving Fund.  
14 Expenses incident to representation by the Attorney General or  
15 attorneys of the Department of Industrial Relations incurred in  
16 attempts to recover moneys pursuant to Section 3717 of the Labor  
17 Code shall not exceed the total amounts recovered by the director  
18 on behalf of the Uninsured Employers Benefits Trust Fund pursuant  
19 to this chapter.

20 (b) The director shall assign investigative and claims' adjustment  
21 services respecting matters concerning uninsured employers injury  
22 cases. The director or his or her representative may make these  
23 service assignments within the department, or he or she may  
24 contract for these services with the State Compensation Insurance  
25 Fund, except insofar as these matters might conflict with the  
26 interests of the State Compensation Insurance Fund. The  
27 administrative costs associated with these services shall be  
28 reimbursed from the Workers' Compensation Administration  
29 Revolving Fund and the nonadministrative costs from the  
30 Uninsured Employers Benefits Trust Fund, except when a budget  
31 impasse requires advances as described in subdivision (c) of  
32 Section 62.5. To the extent permitted by state law, the director  
33 may contract for audits or reports of services under this section.

34 SEC. 121. Section 4755 of the Labor Code is amended to read:

35 4755. (a) The State Compensation Insurance Fund may draw  
36 from the State Treasury out of the Subsequent Injuries Benefits  
37 Trust Fund for the purposes specified in Section 4751, without at  
38 the time presenting vouchers and itemized statements, a sum not  
39 to exceed in the aggregate fifty thousand dollars (\$50,000), to be  
40 used as a cash revolving fund. The revolving fund shall be

deposited in any banks and under any conditions as the Department of Finance determines. The Controller shall draw his or her warrants in favor of the State Compensation Insurance Fund for the amounts so withdrawn and the Treasurer shall pay these warrants.

(b) Expenditures made from the revolving fund in payments on claims for any additional compensation and for adjusting services are exempted from the operation of Section 16003 of the Government Code. Reimbursement of the revolving fund for these expenditures shall be made upon presentation to the Controller of an abstract or statement of the expenditures. The abstract or statement shall be in any form as the Controller requires.

(c) The director shall assign claims adjustment services and legal representation services respecting matters concerning subsequent injuries. The director or his or her representative may make these service assignments within the department, or he or she may contract for these services with the State Compensation Insurance Fund, for a fee in addition to that authorized by Section 4754, except insofar as these matters might conflict with the interests of the State Compensation Insurance Fund. The administrative costs associated with these services shall be reimbursed from the Workers' Compensation Administration Revolving Fund, except when a budget impasse requires advances as provided in subdivision (d) of Section 62.5. To the extent permitted by state law, the director may contract for audits or reports of services under this section.

SEC. 122. Section 5502 of the Labor Code is amended to read:

5502. (a) Except as provided in subdivision (b), the hearing shall be held not less than 10 days, and not more than 60 days, after the date a declaration of readiness to proceed, on a form prescribed by the appeals board, is filed. If a claim form has been filed for an injury occurring on or after January 1, 1990, and before January 1, 1994, an application for adjudication shall accompany the declaration of readiness to proceed.

(b) The administrative director shall establish a priority calendar for issues requiring an expedited hearing and decision. A hearing shall be held and a determination as to the rights of the parties shall be made and filed within 30 days after the declaration of readiness to proceed is filed if the issues in dispute are any of the following:

1 (1) The employee's entitlement to medical treatment pursuant  
2 to Section 4600.

3 (2) The employee's entitlement to, or the amount of, temporary  
4 disability indemnity payments.

5 (3) The employee's entitlement to compensation from one or  
6 more responsible employers when two or more employers dispute  
7 liability as among themselves.

8 (4) Any other issues requiring an expedited hearing and  
9 determination as prescribed in rules and regulations of the  
10 administrative director.

11 (c) The administrative director shall establish a priority  
12 conference calendar for cases in which the employee is represented  
13 by an attorney and the issues in dispute are employment or injury  
14 arising out of employment or in the course of employment. The  
15 conference shall be conducted by a workers' compensation  
16 administrative law judge within 30 days after the declaration of  
17 readiness to proceed. If the dispute cannot be resolved at the  
18 conference, a trial shall be set as expeditiously as possible, unless  
19 good cause is shown why discovery is not complete, in which case  
20 status conferences shall be held at regular intervals. The case shall  
21 be set for trial when discovery is complete, or when the workers'  
22 compensation administrative law judge determines that the parties  
23 have had sufficient time in which to complete reasonable discovery.  
24 A determination as to the rights of the parties shall be made and  
25 filed within 30 days after the trial.

26 .  
27 (d) (1) In all cases, a mandatory settlement conference shall be  
28 conducted not less than 10 days, and not more than 30 days, after  
29 the filing of a declaration of readiness to proceed. If the dispute is  
30 not resolved, the regular hearing shall be held within 75 days after  
31 the declaration of readiness to proceed is filed.

32 (2) The settlement conference shall be conducted by a workers'  
33 compensation administrative law judge or by a referee who is  
34 eligible to be a workers' compensation administrative law judge  
35 or eligible to be an arbitrator under Section 5270.5. At the  
36 mandatory settlement conference, the referee or workers'  
37 compensation administrative law judge shall have the authority to  
38 resolve the dispute, including the authority to approve a  
39 compromise and release or issue a stipulated finding and award,  
40 and if the dispute cannot be resolved, to frame the issues and

1 stipulations for trial. The appeals board shall adopt any regulations  
2 needed to implement this subdivision. The presiding workers'  
3 compensation administrative law judge shall supervise settlement  
4 conference referees in the performance of their judicial functions  
5 under this subdivision.

6 (3) If the claim is not resolved at the mandatory settlement  
7 conference, the parties shall file a pretrial conference statement  
8 noting the specific issues in dispute, each party's proposed  
9 permanent disability rating, and listing the exhibits, and disclosing  
10 witnesses. Discovery shall close on the date of the mandatory  
11 settlement conference. Evidence not disclosed or obtained  
12 thereafter shall not be admissible unless the proponent of the  
13 evidence can demonstrate that it was not available or could not  
14 have been discovered by the exercise of due diligence prior to the  
15 settlement conference.

16 (e) In cases involving the Director of the Department of  
17 Industrial Relations in his or her capacity as administrator of the  
18 Uninsured Employers Fund, this section shall not apply unless  
19 proof of service, as specified in paragraph (1) of subdivision (d)  
20 of Section 3716, has been filed with the appeals board and provided  
21 to the Director of Industrial Relations, valid jurisdiction has been  
22 established over the employer, and the fund has been joined.

23 (f) Except as provided in subdivision (a) and in Section 4065,  
24 the provisions of this section shall apply irrespective of the date  
25 of injury.

26 SEC. 123. Section 431 of the Military and Veterans Code is  
27 amended to read:

28 431. (a) The Adjutant General may, either directly or through  
29 armory boards, or through subordinate commanders, lease or  
30 otherwise authorize the use of, by any person for any lawful  
31 purpose, manage, supervise all activities in, perform all necessary  
32 military duties with respect to and control all armories that are  
33 built or acquired by the state, that come into possession or control  
34 of the state, or that are erected, purchased, leased, or provided or  
35 contributed to, in whole or in part, by any city, county, political  
36 subdivision, or district, or by anyone, for armory purposes.

37 (b) The Adjutant General may contract with the United States  
38 for the operation of any armory for purposes of training of federal  
39 military personnel, with provision that all state costs related to that  
40 operation shall be reimbursed by the United States.

(c) All revenues or income from any armory shall be paid to the Adjutant General who shall account for the revenues or income to the Controller at the close of each month in the form that the Controller prescribes and shall deposit the revenues and income into the Treasury to the credit of the Armory Discretionary Improvement Account, which is hereby created, in the General Fund. The revenues and income in the account shall be available, when appropriated, to the Adjutant General, for allocation for the maintenance, repairs, improvements, and operating expenses necessary or desirable for increased or improved community utilization of the facilities of the armory from which the revenues and income were derived.

~~SEC. 124. Section 999y of the Penal Code is repealed.~~

~~SEC. 125.~~

*SEC. 124.* Section 1174.7 of the Penal Code is repealed.

~~SEC. 126.~~

*SEC. 125.* Section 3049.5 of the Penal Code is amended to read:

3049.5. Notwithstanding the provisions of Section 3049, any prisoner selected for inclusion in a specific research program approved by the Board of Corrections may be paroled upon completion of the diagnostic study provided for in Section 5079. The number of prisoners released in any year under this provision shall not exceed 5 percent of the total number of all prisoners released in the preceding year.

This section shall not apply to a prisoner who, while committing the offense for which he has been imprisoned, physically attacked any person by any means. A threat of attack is not a physical attack for the purposes of this section unless such threat was accompanied by an attempt to inflict physical harm upon some person.

~~SEC. 127.~~

*SEC. 126.* Section 3050 of the Penal Code is amended to read:

3050. (a) Notwithstanding any other provision of law, any inmate under the custody of the Department of Corrections and Rehabilitation who is not currently serving and has not served a prior indeterminate sentence or a sentence for a violent felony, a serious felony, or a crime that requires him or her to register as a sex offender pursuant to Section 290, who has successfully completed an in prison drug treatment program, upon release from state prison, shall, whenever possible, be entered into a 150-day

1 residential aftercare drug treatment program sanctioned by the  
2 department.

3 (b) As a condition of parole, if the inmate successfully completes  
4 150 days of residential aftercare treatment, as determined by the  
5 Department of Corrections and Rehabilitation and the aftercare  
6 provider, the parolee shall be discharged from parole supervision  
7 at that time.

8 ~~SEC. 128.~~

9 *SEC. 127.* Section 4801 of the Penal Code is amended to read:

10 4801. (a) The Board of Parole Hearings may report to the  
11 Governor, from time to time, the names of any and all persons  
12 imprisoned in any state prison who, in its judgment, ought to have  
13 a commutation of sentence or be pardoned and set at liberty on  
14 account of good conduct, or unusual term of sentence, or any other  
15 cause, including evidence of intimate partner battering and its  
16 effects. For purposes of this section, “intimate partner battering  
17 and its effects” may include evidence of the nature and effects of  
18 physical, emotional, or mental abuse upon the beliefs, perceptions,  
19 or behavior of victims of domestic violence where it appears the  
20 criminal behavior was the result of that victimization.

21 (b) The Board of Parole Hearings, in reviewing a prisoner’s  
22 suitability for parole pursuant to Section 3041.5, shall consider  
23 any information or evidence that, at the time of the commission  
24 of the crime, the prisoner had experienced intimate partner  
25 battering, but was convicted of the offense prior to the enactment  
26 of Section 1107 of the Evidence Code by Chapter 812 of the  
27 Statutes of 1991. The board shall state on the record the information  
28 or evidence that it considered pursuant to this subdivision, and the  
29 reasons for the parole decision.

30 ~~SEC. 129. Section 6031.2 of the Penal Code is amended to~~  
31 ~~read:~~

32 ~~6031.2. (a) The Board of State and Community Corrections~~  
33 ~~shall file with the Legislature on December 30, in each~~  
34 ~~even-numbered year, reports to the Legislature which shall include~~  
35 ~~information on all of the following:~~

36 ~~(1) Inspection of those local detention facilities that have not~~  
37 ~~complied with the minimum standards established pursuant to~~  
38 ~~Section 6030. The reports shall specify those areas in which the~~  
39 ~~facility has failed to comply and the estimated cost to the facility~~  
40 ~~necessary to accomplish compliance with the minimum standards.~~

~~(2) Information regarding the progress and effectiveness of the standards and training program contained in Sections 6035 to 6037, inclusive.~~

~~(3) Status of funds expended, interest earned, actions implementing the prerequisites for funding, any reallocations of funds pursuant to Sections 4497.04 to 4497.16, inclusive, and a complete listing of funds allocated to each county.~~

~~(4) Inmate accounting system data to be maintained on an annual basis by the sheriff, chief of police, or other official in charge of operating the adult detention system in a county or city, including all of the following:~~

~~(A) Average daily population of sentenced and unsentenced prisoners classified according to gender and juvenile status.~~

~~(B) Jail admissions of sentenced and unsentenced prisoners, booking charge, date and time of booking, date and time of release, and operating expenses.~~

~~(C) Detention system capital and operating expenses.~~

~~(5) A list of grantees, total funds awarded to each grantee, and performance statistics to document program outputs and outcomes for all grant programs administered by the Board of State and Community Corrections. This information shall also be provided, to the extent possible, for all funds allocated for the purposes specified in Sections 18220.1 and 18221 of the Welfare and Institutions Code. The information required by this paragraph shall be listed for each of the current and prior two fiscal years, and, to the extent possible, the following fiscal year, beginning in 2013. The Board of State and Community Corrections shall implement this paragraph only to the extent that funds are available.~~

~~(b) The Director of Finance shall include a special display table in the Governor's Budget under the Board of State and Community Corrections that displays, by fund source, component level detail for all grant programs administered by the Board of State and Community Corrections, including all funds allocated for the purposes of Sections 18220.1 and 18221 of the Welfare and Institutions Code.~~

~~SEC. 130.~~

*SEC. 128.* Section 6131 of the Penal Code is amended to read:

6131. (a) Upon the completion of any review conducted by the Inspector General, he or she shall prepare a public written report. The public written report shall differ from the complete



1 written report in the respect that the Inspector General shall have  
2 the discretion to redact or otherwise protect the names of  
3 individuals, specific locations, or other facts that, if not redacted,  
4 might hinder prosecution related to the review, or where disclosure  
5 of the information is otherwise prohibited by law, and to decline  
6 to produce any of the underlying materials. Copies of public written  
7 reports shall be posted on the Inspector General's Internet Web  
8 site within 10 days of being disclosed to the entities or persons  
9 listed in subdivision (b).

10 (b) Upon the completion of any review conducted by the  
11 Inspector General, he or she shall prepare a complete written report,  
12 which shall be held as confidential and disclosed in confidence,  
13 along with all underlying materials the Inspector General deems  
14 appropriate, to the Governor, the Secretary of the Department of  
15 Corrections and Rehabilitation, and the appropriate law  
16 enforcement agency.

17 ~~SEC. 131.~~

18 *SEC. 129.* Section 6242.6 of the Penal Code is amended to  
19 read:

20 6242.6. (a) The board shall provide evaluation of the progress,  
21 activities, and performance of each center and participating  
22 county's progress established pursuant to this chapter and shall  
23 report the findings thereon to the Legislature two years after the  
24 operational onset of each facility.

25 (b) The board shall select an outside monitoring firm in  
26 cooperation with the Auditor General's office, to critique and  
27 evaluate the programs and their rates of success based on  
28 recidivism rates, drug use, and other factors it deems appropriate.  
29 Two years after the programs have begun operations, the report  
30 shall be provided to the Joint Legislative Prisons Committee,  
31 participating counties, the department, the Department of Alcohol  
32 and Drug Programs, the State Department of Health Services, and  
33 other sources the board deems of value. Notwithstanding  
34 subdivision (k) of Section 6242, one hundred fifty thousand dollars  
35 (\$150,000) is hereby appropriated from the funds disbursed under  
36 this chapter from the 1990 Prison Construction Fund to the Board  
37 of Corrections to be used for program evaluation under this  
38 subdivision.

1 (c) The department shall be responsible for the ongoing  
2 monitoring of contract compliance for state offenders placed in  
3 each center.

4 ~~SEC. 132.~~

5 *SEC. 130.* Section 8061 of the Penal Code is amended to read:  
6 8061. The board, in collaboration with state, local, and  
7 community-based departments, agencies, and organizations shall  
8 do the following:

9 (a) Describe the parameters of effective community-based  
10 punishment programs and the relationship between the state and  
11 local jurisdictions in meeting the purposes of this chapter.

12 (b) Develop and implement a process by which local  
13 jurisdictions are selected and can participate in pilot efforts initiated  
14 under this chapter.

15 (c) Develop and implement the process by which counties  
16 participating in accordance with this chapter annually submit their  
17 community-based punishment program proposals for approval,  
18 modification, or both.

19 (d) Design and implement a process for annually awarding funds  
20 to counties participating pursuant to this chapter to implement their  
21 community-based punishment program proposals, and administer  
22 and monitor the receipt, expenditure, and reporting of those funds  
23 by participating counties.

24 (e) Provide technical assistance and support to counties and  
25 community correctional administrators in determining whether to  
26 participate in community-based punishment programs, and in either  
27 developing or annually updating their punishment programs.

28 (f) Facilitate the sharing of information among counties and  
29 between county and state agencies relative to community-based  
30 punishment approaches and programs being initiated or already  
31 in existence, strengths and weaknesses of specific programs,  
32 specific offender groups appropriate for different programs, results  
33 of program evaluations and other data, and anecdotal material that  
34 may assist in addressing the purposes of this chapter.

35 (g) Adopt and periodically revise regulations necessary to  
36 implement this chapter.

37 (h) Design and provide for regular and rigorous evaluation of  
38 the community-based punishment programming undertaken  
39 pursuant to approved community-based punishment plans.

1 (i) Design and provide for analysis and evaluation of the pilot  
2 and any subsequent implementation of this chapter, with areas of  
3 analysis to include, at a minimum, the following:

4 (1) The relationship between the board and counties or  
5 collaborations of counties submitting county community-based  
6 punishment plans.

7 (2) The effectiveness of this chapter in encouraging the use of  
8 intermediate as well as traditional sanctions.

9 (3) The categories of offenders most suitable for specific  
10 intermediate sanctions, various aspects of community-based  
11 punishment programming, or both.

12 (4) The effectiveness of the programs implemented pursuant to  
13 this chapter in maintaining public safety.

14 (5) The cost-effectiveness of the programs implemented pursuant  
15 to this chapter.

16 (6) The effect of the programs implemented pursuant to this  
17 chapter on prison, jail, and Department of the Youth Authority  
18 populations.

19 *SEC. 131. Section 11166 of the Penal Code is amended to*  
20 *read:*

21 11166. (a) Except as provided in subdivision (d), and in  
22 Section 11166.05, a mandated reporter shall make a report to an  
23 agency specified in Section 11165.9 whenever the mandated  
24 reporter, in his or her professional capacity or within the scope of  
25 his or her employment, has knowledge of or observes a child whom  
26 the mandated reporter knows or reasonably suspects has been the  
27 victim of child abuse or neglect. The mandated reporter shall make  
28 an initial report to the agency immediately or as soon as is  
29 practicably possible by telephone and the mandated reporter shall  
30 prepare and send, fax, or electronically transmit a written followup  
31 report thereof within 36 hours of receiving the information  
32 concerning the incident. The mandated reporter may include with  
33 the report any nonprivileged documentary evidence the mandated  
34 reporter possesses relating to the incident.

35 (1) For purposes of this article, “reasonable suspicion” means  
36 that it is objectively reasonable for a person to entertain a suspicion,  
37 based upon facts that could cause a reasonable person in a like  
38 position, drawing, when appropriate, on his or her training and  
39 experience, to suspect child abuse or neglect. “Reasonable  
40 suspicion” does not require certainty that child abuse or neglect

1 has occurred nor does it require a specific medical indication of  
2 child abuse or neglect; any “reasonable suspicion” is sufficient.  
3 For the purpose of this article, the pregnancy of a minor does not,  
4 in and of itself, constitute a basis for a reasonable suspicion of  
5 sexual abuse.

6 (2) The agency shall be notified and a report shall be prepared  
7 and sent, faxed, or electronically transmitted even if the child has  
8 expired, regardless of whether or not the possible abuse was a  
9 factor contributing to the death, and even if suspected child abuse  
10 was discovered during an autopsy.

11 (3) Any report made by a mandated reporter pursuant to this  
12 section shall be known as a mandated report.

13 (b) If after reasonable efforts a mandated reporter is unable to  
14 submit an initial report by telephone, he or she shall immediately  
15 or as soon as is practicably possible, by fax or electronic  
16 transmission, make a one-time automated written report on the  
17 form prescribed by the Department of Justice, and shall also be  
18 available to respond to a telephone followup call by the agency  
19 with which he or she filed the report. A mandated reporter who  
20 files a one-time automated written report because he or she was  
21 unable to submit an initial report by telephone is not required to  
22 submit a written followup report.

23 (1) The one-time automated written report form prescribed by  
24 the Department of Justice shall be clearly identifiable so that it is  
25 not mistaken for a standard written followup report. In addition,  
26 the automated one-time report shall contain a section that allows  
27 the mandated reporter to state the reason the initial telephone call  
28 was not able to be completed. The reason for the submission of  
29 the one-time automated written report in lieu of the procedure  
30 prescribed in subdivision (a) shall be captured in the Child Welfare  
31 Services/Case Management System (CWS/CMS). The department  
32 shall work with stakeholders to modify reporting forms and the  
33 CWS/CMS as is necessary to accommodate the changes enacted  
34 by these provisions.

35 (2) This subdivision shall not become operative until the  
36 CWS/CMS is updated to capture the information prescribed in this  
37 subdivision.

38 (3) This subdivision shall become inoperative three years after  
39 this subdivision becomes operative or on January 1, 2009,  
40 whichever occurs first.

1     ~~(4) On the inoperative date of these provisions, a report shall~~  
2     ~~be submitted to the counties and the Legislature by the Department~~  
3     ~~of Social Services that reflects the data collected from automated~~  
4     ~~one-time reports indicating the reasons stated as to why the~~  
5     ~~automated one-time report was filed in lieu of the initial telephone~~  
6     ~~report.~~

7     ~~(5)~~

8     (4) Nothing in this section shall supersede the requirement that  
9     a mandated reporter first attempt to make a report via telephone,  
10    or that agencies specified in Section 11165.9 accept reports from  
11    mandated reporters and other persons as required.

12    (c) Any mandated reporter who fails to report an incident of  
13    known or reasonably suspected child abuse or neglect as required  
14    by this section is guilty of a misdemeanor punishable by up to six  
15    months confinement in a county jail or by a fine of one thousand  
16    dollars (\$1,000) or by both that imprisonment and fine. If a  
17    mandated reporter intentionally conceals his or her failure to report  
18    an incident known by the mandated reporter to be abuse or severe  
19    neglect under this section, the failure to report is a continuing  
20    offense until an agency specified in Section 11165.9 discovers the  
21    offense.

22    (d) (1) A clergy member who acquires knowledge or a  
23    reasonable suspicion of child abuse or neglect during a penitential  
24    communication is not subject to subdivision (a). For the purposes  
25    of this subdivision, “penitential communication” means a  
26    communication, intended to be in confidence, including, but not  
27    limited to, a sacramental confession, made to a clergy member  
28    who, in the course of the discipline or practice of his or her church,  
29    denomination, or organization, is authorized or accustomed to hear  
30    those communications, and under the discipline, tenets, customs,  
31    or practices of his or her church, denomination, or organization,  
32    has a duty to keep those communications secret.

33    (2) Nothing in this subdivision shall be construed to modify or  
34    limit a clergy member’s duty to report known or suspected child  
35    abuse or neglect when the clergy member is acting in some other  
36    capacity that would otherwise make the clergy member a mandated  
37    reporter.

38    (3) (A) On or before January 1, 2004, a clergy member or any  
39    custodian of records for the clergy member may report to an agency  
40    specified in Section 11165.9 that the clergy member or any

1 custodian of records for the clergy member, prior to January 1,  
2 1997, in his or her professional capacity or within the scope of his  
3 or her employment, other than during a penitential communication,  
4 acquired knowledge or had a reasonable suspicion that a child had  
5 been the victim of sexual abuse that the clergy member or any  
6 custodian of records for the clergy member did not previously  
7 report the abuse to an agency specified in Section 11165.9. The  
8 provisions of Section 11172 shall apply to all reports made pursuant  
9 to this paragraph.

10 (B) This paragraph shall apply even if the victim of the known  
11 or suspected abuse has reached the age of majority by the time the  
12 required report is made.

13 (C) The local law enforcement agency shall have jurisdiction  
14 to investigate any report of child abuse made pursuant to this  
15 paragraph even if the report is made after the victim has reached  
16 the age of majority.

17 (e) Any commercial film and photographic print processor who  
18 has knowledge of or observes, within the scope of his or her  
19 professional capacity or employment, any film, photograph,  
20 videotape, negative, or slide depicting a child under the age of 16  
21 years engaged in an act of sexual conduct, shall report the instance  
22 of suspected child abuse to the law enforcement agency having  
23 jurisdiction over the case immediately, or as soon as practicably  
24 possible, by telephone and shall prepare and send, fax, or  
25 electronically transmit a written report of it with a copy of the film,  
26 photograph, videotape, negative, or slide attached within 36 hours  
27 of receiving the information concerning the incident. As used in  
28 this subdivision, "sexual conduct" means any of the following:

29 (1) Sexual intercourse, including genital-genital, oral-genital,  
30 anal-genital, or oral-anal, whether between persons of the same or  
31 opposite sex or between humans and animals.

32 (2) Penetration of the vagina or rectum by any object.

33 (3) Masturbation for the purpose of sexual stimulation of the  
34 viewer.

35 (4) Sadomasochistic abuse for the purpose of sexual stimulation  
36 of the viewer.

37 (5) Exhibition of the genitals, pubic, or rectal areas of any person  
38 for the purpose of sexual stimulation of the viewer.

39 (f) Any mandated reporter who knows or reasonably suspects  
40 that the home or institution in which a child resides is unsuitable

1 for the child because of abuse or neglect of the child shall bring  
2 the condition to the attention of the agency to which, and at the  
3 same time as, he or she makes a report of the abuse or neglect  
4 pursuant to subdivision (a).

5 (g) Any other person who has knowledge of or observes a child  
6 whom he or she knows or reasonably suspects has been a victim  
7 of child abuse or neglect may report the known or suspected  
8 instance of child abuse or neglect to an agency specified in Section  
9 11165.9. For purposes of this section, “any other person” includes  
10 a mandated reporter who acts in his or her private capacity and  
11 not in his or her professional capacity or within the scope of his  
12 or her employment.

13 (h) When two or more persons, who are required to report,  
14 jointly have knowledge of a known or suspected instance of child  
15 abuse or neglect, and when there is agreement among them, the  
16 telephone report may be made by a member of the team selected  
17 by mutual agreement and a single report may be made and signed  
18 by the selected member of the reporting team. Any member who  
19 has knowledge that the member designated to report has failed to  
20 do so shall thereafter make the report.

21 (i) (1) The reporting duties under this section are individual,  
22 and no supervisor or administrator may impede or inhibit the  
23 reporting duties, and no person making a report shall be subject  
24 to any sanction for making the report. However, internal procedures  
25 to facilitate reporting and apprise supervisors and administrators  
26 of reports may be established provided that they are not inconsistent  
27 with this article.

28 (2) The internal procedures shall not require any employee  
29 required to make reports pursuant to this article to disclose his or  
30 her identity to the employer.

31 (3) Reporting the information regarding a case of possible child  
32 abuse or neglect to an employer, supervisor, school principal,  
33 school counselor, coworker, or other person shall not be a substitute  
34 for making a mandated report to an agency specified in Section  
35 11165.9.

36 (j) A county probation or welfare department shall immediately,  
37 or as soon as practicably possible, report by telephone, fax, or  
38 electronic transmission to the law enforcement agency having  
39 jurisdiction over the case, to the agency given the responsibility  
40 for investigation of cases under Section 300 of the Welfare and

1 Institutions Code, and to the district attorney's office every known  
2 or suspected instance of child abuse or neglect, as defined in  
3 Section 11165.6, except acts or omissions coming within  
4 subdivision (b) of Section 11165.2, or reports made pursuant to  
5 Section 11165.13 based on risk to a child which relates solely to  
6 the inability of the parent to provide the child with regular care  
7 due to the parent's substance abuse, which shall be reported only  
8 to the county welfare or probation department. A county probation  
9 or welfare department also shall send, fax, or electronically transmit  
10 a written report thereof within 36 hours of receiving the information  
11 concerning the incident to any agency to which it makes a  
12 telephone report under this subdivision.

13 (k) A law enforcement agency shall immediately, or as soon as  
14 practicably possible, report by telephone, fax, or electronic  
15 transmission to the agency given responsibility for investigation  
16 of cases under Section 300 of the Welfare and Institutions Code  
17 and to the district attorney's office every known or suspected  
18 instance of child abuse or neglect reported to it, except acts or  
19 omissions coming within subdivision (b) of Section 11165.2, which  
20 shall be reported only to the county welfare or probation  
21 department. A law enforcement agency shall report to the county  
22 welfare or probation department every known or suspected instance  
23 of child abuse or neglect reported to it which is alleged to have  
24 occurred as a result of the action of a person responsible for the  
25 child's welfare, or as the result of the failure of a person responsible  
26 for the child's welfare to adequately protect the minor from abuse  
27 when the person responsible for the child's welfare knew or  
28 reasonably should have known that the minor was in danger of  
29 abuse. A law enforcement agency also shall send, fax, or  
30 electronically transmit a written report thereof within 36 hours of  
31 receiving the information concerning the incident to any agency  
32 to which it makes a telephone report under this subdivision.

33 ~~SEC. 133.~~

34 *SEC. 132.* Section 11501 of the Penal Code is amended to read:

35 11501. (a) There is hereby established in the California  
36 Emergency Management Agency, a program of financial assistance  
37 to provide for statewide programs of education, training, and  
38 research for local public prosecutors and public defenders. All  
39 funds made available to the agency for the purposes of this chapter  
40 shall be administered and distributed by the secretary of the agency.



1 (b) The Secretary of Emergency Management is authorized to  
2 allocate and award funds to public agencies or private nonprofit  
3 organizations for purposes of establishing statewide programs of  
4 education, training, and research for public prosecutors and public  
5 defenders, which programs meet criteria established pursuant to  
6 Section 11502.

7 ~~SEC. 134.~~

8 *SEC. 133.* Section 13777 of the Penal Code is amended to read:

9 13777. (a) Except as provided in subdivision (d), the Attorney  
10 General shall do each of the following:

11 (1) Collect information relating to anti-reproductive-rights  
12 crimes, including, but not limited to, the threatened commission  
13 of these crimes and persons suspected of committing these crimes  
14 or making these threats.

15 (2) Direct local law enforcement agencies to provide to the  
16 Department of Justice, in a manner that the Attorney General  
17 prescribes, any information that may be required relative to  
18 anti-reproductive-rights crimes. The report of each crime that  
19 violates Section 423.2 shall note the subdivision that prohibits the  
20 crime. The report of each crime that violates any other law shall  
21 note the code, section, and subdivision that prohibits the crime.  
22 The report of any crime that violates both Section 423.2 and any  
23 other law shall note both the subdivision of Section 423.2 and the  
24 other code, section, and subdivision that prohibits the crime.

25 (3) Develop a plan to prevent, apprehend, prosecute, and report  
26 anti-reproductive-rights crimes, and to carry out the legislative  
27 intent expressed in subdivisions (c), (d), (e), and (f) of Section 1  
28 of the act that enacts this title in the 2001–02 Regular Session of  
29 the Legislature.

30 (b) In carrying out his or her responsibilities under this section,  
31 the Attorney General shall consult the Governor, the Commission  
32 on Peace Officer Standards and Training, and other subject matter  
33 experts.

34 (c) The Attorney General shall implement this section to the  
35 extent the Legislature appropriates funds in the Budget Act or  
36 another statute for this purpose.

37 ~~SEC. 135.~~ ~~Section 13820.1 is added to the Penal Code, to read:~~

38 ~~13820.1. (a) The California Emergency Management Agency,~~  
39 ~~in consultation with the Director of Finance, shall provide a report~~  
40 ~~to the Joint Legislative Budget Committee by January 10 of each~~

1 year that provides a list of grantees, total funds awarded to each  
2 grantee, and performance statistics to document program outputs  
3 and outcomes for each component of all grant programs related to  
4 criminal justice or victim services that are administered by the  
5 agency. This information shall also be provided, to the extent  
6 possible, for each of the following:

7 (1) Funds allocated for the purposes specified in paragraph (1)  
8 of subdivision (c) of Section 13821.

9 (2) Funds allocated for the purposes specified in paragraph (2)  
10 of subdivision (c) of Section 13821.

11 (3) Funds allocated for the purposes specified in paragraph (3)  
12 of subdivision (c) of Section 13821.

13 (4) Funds allocated for the purposes specified in paragraph (4)  
14 of subdivision (c) of Section 13821.

15 (5) Funds allocated for the purposes specified in paragraph (5)  
16 of subdivision (c) of Section 13821.

17 (6) Funds allocated for the purposes specified in paragraph (6)  
18 of subdivision (c) of Section 13821.

19 (b) The Director of Finance shall include a special display table  
20 in the Governor's Budget under the California Emergency  
21 Management Agency that displays, by fund source, component  
22 level detail for all grant programs related to criminal justice or  
23 victim services that are administered by the agency. This  
24 information shall also be provided, to the extent possible, for each  
25 of the following:

26 (1) Funds allocated for the purposes specified in paragraph (1)  
27 of subdivision (c) of Section 13821.

28 (2) Funds allocated for the purposes specified in paragraph (2)  
29 of subdivision (c) of Section 13821.

30 (3) Funds allocated for the purposes specified in paragraph (3)  
31 of subdivision (c) of Section 13821.

32 (4) Funds allocated for the purposes specified in paragraph (4)  
33 of subdivision (c) of Section 13821.

34 (5) Funds allocated for the purposes specified in paragraph (5)  
35 of subdivision (c) of Section 13821.

36 (6) Funds allocated for the purposes specified in paragraph (6)  
37 of subdivision (c) of Section 13821.

38 ~~SEC. 136.~~

39 *SEC. 134.* Section 13847 of the Penal Code is amended to read:

1 13847. (a) There is hereby established in the agency a program  
2 of financial and technical assistance for local law enforcement,  
3 called the Rural Indian Crime Prevention Program. The program  
4 shall target the relationship between law enforcement and Native  
5 American communities to encourage and to strengthen cooperative  
6 efforts and to implement crime suppression and prevention  
7 programs.

8 (b) The secretary may allocate and award funds to those local  
9 units of government, or combinations thereof, in which a special  
10 program is established in law enforcement agencies that meets the  
11 criteria set forth in Sections 13847.1 and 13847.2.

12 (c) The allocation and award of funds shall be made upon  
13 application executed by the chief law enforcement officer of the  
14 applicant unit of government and approved by the legislative body.  
15 Funds disbursed under this chapter shall not supplant local funds  
16 that would, in the absence of the Rural Indian Crime Prevention  
17 Program, be made available to support the suppression and  
18 prevention of crime on reservations and rancherias.

19 (d) The secretary shall prepare and issue administrative  
20 guidelines and procedures for the Rural Indian Crime Prevention  
21 Program consistent with this chapter.

22 (e) The guidelines shall set forth the terms and conditions upon  
23 which the agency is prepared to offer grants of funds pursuant to  
24 statutory authority. The guidelines do not constitute rules,  
25 regulations, orders, or standards of general application.

26 ~~SEC. 137. Section 10262.5 of the Public Contract Code is~~  
27 ~~amended to read:~~

28 ~~10262.5. (a) Notwithstanding any other law, a prime contractor~~  
29 ~~or subcontractor shall pay to any subcontractor, not later than seven~~  
30 ~~days after receipt of each progress payment, the respective amounts~~  
31 ~~allowed the contractor on account of the work performed by the~~  
32 ~~subcontractors, to the extent of each subcontractor's interest~~  
33 ~~therein. In the event that there is a good faith dispute over all or~~  
34 ~~any portion of the amount due on a progress payment from the~~  
35 ~~prime contractor or subcontractor to a subcontractor, then the prime~~  
36 ~~contractor or subcontractor may withhold no more than 150 percent~~  
37 ~~of the disputed amount.~~

38 ~~Any contractor who violates this section shall pay to the~~  
39 ~~subcontractor a penalty of 2 percent of the amount due per month~~  
40 ~~for every month that payment is not made. In any action for the~~

1 collection of funds wrongfully withheld, the prevailing party shall  
2 be entitled to his or her attorney's fees and costs.

3 ~~(b) This section shall not be construed to limit or impair any~~  
4 ~~contractual, administrative, or judicial remedies otherwise available~~  
5 ~~to a contractor or a subcontractor in the event of a dispute involving~~  
6 ~~late payment or nonpayment by a contractor or deficient~~  
7 ~~subcontract performance or nonperformance by a subcontractor.~~

8 ~~SEC. 138.~~

9 *SEC. 135.* Section 4124 of the Public Resources Code is  
10 amended to read:

11 4124. The department shall submit an annual report to the Joint  
12 Legislative Budget Committee, in accordance with Section 9795  
13 of the Government Code, regarding emergency incidents funded  
14 entirely or in part from Item 3540-006-0001 of Section 2.00 of the  
15 annual Budget Act, commonly referred to as the "emergency fund,"  
16 or from a similar provision of any future Budget Act that provides  
17 funds for emergency fire suppression and detection costs and  
18 related emergency revegetation costs, and for which the department  
19 administratively classifies these funds as being expended from the  
20 emergency fund. The report shall include all of the following:

21 (a) For each incident that is estimated to cost more than five  
22 million dollars (\$5,000,000), as adjusted annually by the  
23 department to account for inflation using the California Consumer  
24 Price Index published by the Department of Industrial Relations,  
25 the report shall include all of the following information, to the  
26 extent the information is known by the department:

27 (1) The administrative district or districts and the county or  
28 counties in which the incident occurred, and whether the incident  
29 occurred in a state responsibility area, local responsibility area,  
30 federal responsibility area, or some combination of those areas.

31 (2) A general description of the incident and the department's  
32 response to the incident.

33 (3) The total estimated cost of the incident, listed by appropriate  
34 category, including, but not limited to, overtime, additional staffing,  
35 inmate costs, travel, accommodations, air support, and nonstate  
36 vendor costs.

37 (4) The estimated costs charged to the emergency fund, listed  
38 by appropriate category, including, but not limited to, overtime,  
39 additional staffing, inmate costs, travel, accommodations, air  
40 support, and nonstate vendor costs.

1 (5) The number of personnel and equipment assigned to the  
2 incident, including state resources, federal resources, and local  
3 resources.

4 (6) Whether the state's costs to respond to the incident are  
5 eligible for reimbursement from the federal government or a local  
6 government.

7 (7) Whether the department had performed any fuel reduction,  
8 vegetation management, controlled burns, or other fuel treatment  
9 in the area of the incident that impacted either the course of the  
10 incident or the department's response to the incident.

11 (b) For each incident that is estimated to cost less than five  
12 million dollars (\$5,000,000), as adjusted annually by the  
13 department to account for inflation using the California Consumer  
14 Price Index published by the Department of Industrial Relations,  
15 the report shall include a list of those incidents, specifying each  
16 incident's total estimated cost and total estimated costs charged  
17 to the emergency fund.

18 (c) Information on any other costs paid in whole or in part from  
19 the emergency fund.

20 ~~SEC. 139.~~

21 *SEC. 136.* Section 4137 of the Public Resources Code is  
22 amended to read:

23 4137. (a) For purposes of this section, "fire prevention  
24 activities" include, but are not limited to, all of the following:

- 25 (1) Fire prevention education.
- 26 (2) Hazardous fuel reduction and vegetation management.
- 27 (3) Fire investigation.
- 28 (4) Civil cost recovery.
- 29 (5) Forest and fire law enforcement.
- 30 (6) Fire prevention engineering.
- 31 (7) Prefire planning.
- 32 (8) Risk analysis.
- 33 (9) Volunteer programs and partnerships.

34 (b) It is the intent of the Legislature that the year-round staffing  
35 and the extension of the workweek that has been provided to the  
36 department pursuant to memorandums of understanding with the  
37 state will result in significant increases in the department's current  
38 level of fire prevention activities. It is also the intent of the  
39 Legislature that the budgetary augmentations for year-round  
40 staffing not reduce the reimbursements that the department receives

1 from contracts with local governments for the department to  
2 provide local fire protection and emergency services pursuant to  
3 Section 4144, commonly referred to as “Amador agreements.”

4 (c) On or before January 10 of each year, the department shall  
5 provide a report to the Legislature, including the budget and fiscal  
6 committees of the Assembly and the Senate, in accordance with  
7 Section 9795 of the Government Code, detailing the department’s  
8 fire prevention activities, including the increased activities  
9 described in subdivision (b). The report shall display the fire  
10 prevention activities of the previous fiscal year, as well as the  
11 information from previous reports for purposes of a comparison  
12 of data. The report shall include all of the following:

13 (1) Fire prevention activities performed by the department on  
14 lands designated as state responsibility areas, and by counties,  
15 where, pursuant to a contract with the department, a county has  
16 agreed to provide fire protection services in state responsibility  
17 areas within county boundaries on behalf of the department. The  
18 fire prevention activities included in the report pursuant to this  
19 paragraph shall include, but not be limited to, all of the following:

20 (A) The number of hours of fire prevention education performed.

21 (B) The number of defensible space inspections conducted,  
22 including statewide totals and totals for each region.

23 (C) The number of citations issued for noncompliance with  
24 Section 4291.

25 (D) The number of acres treated by mechanical fuel reduction.

26 (E) The number of acres treated by prescribed burns.

27 (F) Any other data or qualitative information deemed necessary  
28 by the department in order to provide the Legislature with a clear  
29 and accurate accounting of fire prevention activities, particularly  
30 with regard to variations from one year to the next.

31 (2) The fire prevention performance measures described in  
32 subparagraphs (A) to (F), inclusive, of paragraph (1) shall be  
33 reported for each region annually, including activities performed  
34 from December 15 to April 15, inclusive.

35 (3) Projected fire prevention activities for the following fiscal  
36 year.

37 (4) Information on each of the “Amador contracts” described  
38 in subdivision (b), including an annual update on the number of  
39 those contracts and reimbursements received from the contracts  
40 that are in effect.

1     ~~SEC. 140.~~

2     *SEC. 137.* Section 4214 of the Public Resources Code is  
3 amended to read:

4     4214. (a) Fire prevention fees collected pursuant to this chapter  
5 shall be expended, upon appropriation by the Legislature, as  
6 follows:

7     (1) The State Board of Equalization shall retain moneys  
8 necessary for the payment of refunds pursuant to Section 4228 and  
9 reimbursement of the State Board of Equalization for expenses  
10 incurred in the collection of the fee.

11     (2) The moneys collected, other than that retained by the State  
12 Board of Equalization pursuant to paragraph (1), shall be deposited  
13 into the State Responsibility Area Fire Prevention Fund, which is  
14 hereby created in the State Treasury, and shall be available to the  
15 board and the department to expend for fire prevention activities  
16 specified in subdivision (d) that benefit the owners of structures  
17 within a state responsibility area who are required to pay the fire  
18 prevention fee. The amount expended to benefit the moneys of  
19 structures within a state responsibility area shall be commensurate  
20 with the amount collected from the owners within that state  
21 responsibility area. All moneys in excess of the costs of  
22 administration of the board and the department shall be expended  
23 only for fire prevention activities in counties with state  
24 responsibility areas.

25     (b) (1) The fund may also be used to cover the costs of  
26 administering this chapter.

27     (2) The fund shall cover all startup costs incurred over a period  
28 not to exceed two years.

29     (c) It is the intent of the Legislature that the moneys in this fund  
30 be fully appropriated to the board and the department each year  
31 in order to effectuate the purposes of this chapter.

32     (d) Moneys in the fund shall be used only for the following fire  
33 prevention activities, which shall benefit owners of structures  
34 within the state responsibility areas who are required to pay the  
35 annual fire prevention fee pursuant to this chapter:

36         (1) Local assistance grants pursuant to subdivision (e).

37         (2) Grants to Fire Safe Councils, the California Conservation  
38 Corps, or certified local conservation corps for fire prevention  
39 projects and activities in the state responsibility areas.

(3) Grants to a qualified nonprofit organization with a demonstrated ability to satisfactorily plan, implement, and complete a fire prevention project applicable to the state responsibility areas. The department may establish other qualifying criteria.

(4) Inspections by the department for compliance with defensible space requirements around structures in state responsibility areas as required by Section 4291.

(5) Public education to reduce fire risk in the state responsibility areas.

(6) Fire severity and fire hazard mapping by the department in the state responsibility areas.

(7) Other fire prevention projects in the state responsibility areas, authorized by the board.

(e) (1) The board shall establish a local assistance grant program for fire prevention activities designed to benefit structures within state responsibility areas, including public education, that are provided by counties and other local agencies, including special districts, with state responsibility areas within their jurisdictions.

(2) In order to ensure an equitable distribution of funds, the amount of each grant shall be based on the number of structures in state responsibility areas for which the applicant is legally responsible and the amount of moneys made available in the annual Budget Act for this local assistance grant program.

(f) By January 1, 2013, and annually thereafter, the board shall submit to the Legislature a written report on the status and uses of the fund pursuant to this chapter. The board shall ~~work collaboratively~~ *collaboratively* with the Department of Forestry and Fire Protection in preparing the written report pursuant to this subdivision. The written report shall also include an evaluation of the benefits received by counties based on the number of structures in state responsibility areas within their jurisdictions, the effectiveness of the board's grant programs, the number of defensible space inspections in the reporting period, the degree of compliance with defensible space requirements, measures to increase compliance, if any, and any recommendations to the Legislature.

(g) (1) The requirement for submitting a report imposed under subdivision (f) is inoperative on January 1, 2017, pursuant to Section 10231.5 of the Government Code.



1 (2) A report to be submitted pursuant to subdivision (f) shall be  
2 submitted in compliance with Section 9795 of the Government  
3 Code.

4 (h) It is essential that this article be implemented without delay.  
5 To permit timely implementation, the department may contract  
6 for services related to the establishment of the fire prevention fee  
7 collection process. For this purpose only, and for a period not to  
8 exceed 24 months, the provisions of the Public Contract Code or  
9 any other provision of law related to public contracting shall not  
10 apply.

11 ~~SEC. 141.~~

12 *SEC. 138.* Section 4612 of the Public Resources Code is  
13 repealed.

14 ~~SEC. 142.~~

15 *SEC. 139.* Section 5004.5 of the Public Resources Code is  
16 amended to read:

17 5004.5. (a) The California Youth Soccer and Recreation  
18 Development Program is hereby created in the department. The  
19 department shall administer the program, which is intended to  
20 provide assistance to local agencies and community-based  
21 organizations with regard to funding, and fostering the development  
22 of, new youth soccer, baseball, softball, and basketball recreation  
23 opportunities in the state.

24 (b) The California Youth Soccer and Recreation Development  
25 Fund is hereby created in the State Treasury, to be used as a  
26 repository of funds derived from federal, state, and private sources  
27 to be used for the program.

28 (c) The department shall award grants, on a competitive basis,  
29 to local agencies and community-based organizations for the  
30 purposes of the program, subject to an appropriation therefor. The  
31 department shall also develop eligibility guidelines for the award  
32 of grants that give preference to those communities that provide  
33 matching funds for grants, and that are heavily populated,  
34 low-income urban areas with a high youth crime and  
35 unemployment rate. The guidelines shall also require that  
36 preference be given to those inner city properties that may be leased  
37 for periods of at least five years or more for recreational purposes.  
38 The department shall conduct public hearings throughout the state  
39 prior to final adoption of eligibility guidelines.

(d) Any regulation, guideline, or procedural guide adopted or developed pursuant to this section is not subject to the review or approval of the Office of Administrative Law or to any other requirement of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(e) For purposes of this section, the following terms have the following meanings:

(1) “Community-based organization” means an organization that enters into a cooperative agreement with the department pursuant to Section 513, a nonprofit group or organization, or a friends of parks group or organization of a city, county, city and county, and regional park. All community-based organizations shall have a current tax-exempt status as a nonprofit organization under Section 501(c)(3) of the federal Internal Revenue Code.

(2) “Local agency” means a city, county, city and county, park and recreation district, open-space district, or school district.

(f) This section shall be implemented only upon appropriation of sufficient funds to the department for that purpose.

(g) All funds received by the department pursuant to this section shall be encumbered within three years of the date of the appropriation and expended within eight years from the date of the appropriation.

(h) Nothing in this section is intended to prohibit community-based organizations from acting in partnership with organizations that do not have tax-exempt status as a nonprofit organization under Section 501(c)(3) of the federal Internal Revenue Code.

~~SEC. 143.~~

*SEC. 140.* Section 5095.53 of the Public Resources Code is amended to read:

5095.53. The plan shall include a specific timeline for implementation.

~~SEC. 144.~~

*SEC. 141.* Section 5096.162 of the Public Resources Code is amended to read:

5096.162. (a) Any Member of the Legislature, the State Park and Recreation Commission, the California Coastal Commission, or the Secretary of the Resources Agency may nominate any project to be funded under this article for study by the Department of Parks

1 and Recreation. Any of the commissions shall make nominations  
2 by vote of its membership.

3 (b) The Department of Parks and Recreation shall study any  
4 project so nominated.

5 (c) Projects proposed for appropriation for the state park system  
6 pursuant to subdivision (b) of Section 5096.151 shall be subject  
7 to the favorable recommendation of the State Park and Recreation  
8 Commission. Projects recommended by the commission shall be  
9 forwarded to the Director of Finance for inclusion in the Budget  
10 Bill.

11 ~~SEC. 145.~~

12 *SEC. 142.* Section 5096.242 of the Public Resources Code is  
13 amended to read:

14 5096.242. (a) Any Member of the Legislature, the State Park  
15 and Recreation Commission, the California Coastal Commission,  
16 or the Secretary of the Resources Agency may nominate any project  
17 to be funded under this article for study by the Department of Parks  
18 and Recreation. The State Park and Recreation Commission shall  
19 nominate projects after holding at least one public hearing to seek  
20 project proposals from individuals, citizen groups, the Department  
21 of Parks and Recreation, and other public agencies. Any of the  
22 commissions shall make nominations by vote of its membership.

23 (b) The Department of Parks and Recreation shall study any  
24 project so nominated.

25 (c) Nominated projects shall be approved by the Secretary of  
26 the Resources Agency and forwarded by the secretary to the  
27 Director of Finance for inclusion in the Budget Bill.

28 ~~SEC. 146.~~

29 *SEC. 143.* Section 5096.320 of the Public Resources Code is  
30 amended to read:

31 5096.320. The Legislature hereby recognizes that public  
32 financial resources are inadequate to meet all capital outlay needs  
33 of the state park system and that the need for the acquisition,  
34 development, restoration, rehabilitation, improvement, and  
35 protection of state park system lands and facilities has increased  
36 to the point that their continued well-being and the realization of  
37 their full public benefit is in jeopardy.

38 Projects approved by the secretary shall be forwarded by the  
39 secretary to the Director of Finance for inclusion in the Budget  
40 Bill.

1     ~~SEC. 147.~~

2     ~~SEC. 144.~~ Section 5096.340 of the Public Resources Code is  
3 amended to read:

4     5096.340. (a) Not less than 11 percent of the funds authorized  
5 in paragraph (1) of subdivision (l) of Section 5096.310 shall be  
6 available as grants on a competitive basis to cities, counties, and  
7 nonprofit organizations for the development or rehabilitation of  
8 real property consisting of urban recreational and cultural centers,  
9 museums, and facilities for wildlife education or environmental  
10 education.

11     (b) To be eligible for funding, a project shall initially be  
12 nominated by a Member of the Legislature for study by the  
13 department.

14     (c) In establishing priorities of projects, the department shall  
15 consider any favorable project characteristics, including, but not  
16 limited to, all of the following:

17     (1) The project will interpret one or more important California  
18 historical, cultural, economic, or resource themes or an important  
19 historical, cultural, economic, technological, or resource theme in  
20 a major region of California. Higher priority shall be assigned to  
21 projects whose themes are not interpreted in any existing museum  
22 or have demonstrable deficiencies in their presentation in an  
23 existing museum.

24     (2) The project is proposed to be operated on lands that are  
25 already in public ownership or on lands that will be acquired and  
26 used for the project in conjunction with adjoining public lands.

27     (3) Projects that are closely related geographically to the  
28 resources, activity, structure, place, or collection of objects to be  
29 interpreted, and are close to population centers and access routes.

30     (4) Projects that are in, or close to, population centers or are  
31 adjacent to, or readily served by, a state highway or other mode  
32 of public transportation.

33     (5) Projects for which there are commitments, or the serious  
34 likelihood of commitments, of funds or the donation of land or  
35 other property suitable for the project.

36     (d) The department shall annually forward a list of the highest  
37 priority projects to the Department of Finance for inclusion in the  
38 Budget Bill.

39     (e) An application for a grant for a cooperative museum project  
40 shall be submitted jointly by the city, county, or other public

1 agency, an institute of higher learning, or a nonprofit organization  
2 that cooperatively is operating, or will operate, the project.

3 ~~SEC. 148.~~

4 *SEC. 145.* Section 5631 of the Public Resources Code is  
5 amended to read:

6 5631. The department, in cooperation with the federal  
7 government, local public agencies, and appropriate representatives  
8 of industry, shall, from time to time as needed but no less  
9 frequently than once every five years, coordinate and conduct a  
10 statewide needs analysis in relation to the purposes of this chapter.  
11 That analysis shall include a full review of the grant program  
12 authorized pursuant to this chapter.

13 ~~SEC. 149.~~

14 *SEC. 146.* Section 5632 of the Public Resources Code is  
15 repealed.

16 ~~SEC. 150.~~

17 *SEC. 147.* Section 6217.8 of the Public Resources Code is  
18 amended to read:

19 6217.8. (a) For purposes of this section, “fund” means the Oil  
20 Trust Fund established pursuant to subdivision (b).

21 (b) The Oil Trust Fund is hereby established in the State  
22 Treasury, and the moneys in the fund are hereby appropriated to  
23 the commission in accordance with this section.

24 (c) (1) On or before March 1, 2006, the City of Long Beach  
25 shall pay to the State Lands Commission all money, including both  
26 principal and interest, in the abandonment reserve fund that the  
27 city created in 1999 and that was the subject of the litigation in  
28 State of California ex rel. California State Lands Commission v.  
29 City of Long Beach (2005) 125 Cal.App.4th 767.

30 (2) The Controller shall deposit in the fund any funds paid to  
31 the commission pursuant to paragraph (1).

32 (3) Except as provided in paragraph (4), on the last day of each  
33 month beginning July 31, 2006, the Controller shall transfer to the  
34 fund the amount of two million dollars (\$2,000,000) or 50 percent  
35 of remaining oil revenue, as described in subdivision (d) of Section  
36 4 of Chapter 138 of the Statutes of 1964, First Extraordinary  
37 Session to the Oil Trust Fund, whichever is less.

38 (4) Beginning July 1, 2005, and ending December 31, 2005,  
39 any contributions to the fund shall be suspended, except those  
40 funds described in paragraphs (1) and (2). During that period the

1 Controller shall transfer four million dollars (\$4,000,000) monthly  
2 to the General Fund from oil revenues, as described in subdivision  
3 (d) of Section 4 of Chapter 138 of the Statutes of 1964, First  
4 Extraordinary Session.

5 (5) Beginning January 1, 2006, and ending June 30, 2006, the  
6 amount contributed to the fund shall be the amount specified in  
7 paragraph (3). During that period the Controller shall also transfer  
8 two million dollars (\$2,000,000) monthly to the General Fund  
9 from oil revenues, as described in subdivision (d) of Section 4 of  
10 Chapter 138 of the Statutes of 1964, First Extraordinary Session.

11 (d) (1) The total amount deposited in the fund shall not exceed  
12 three hundred million dollars (\$300,000,000). From the date the  
13 balance in the fund totals three hundred million dollars  
14 (\$300,000,000), all interest earned thereafter shall be transferred  
15 to the General Fund.

16 (2) All interest earned on the money in the abandonment reserve  
17 fund specified in paragraph (1) of subdivision (c) shall be  
18 transferred to the fund.

19 (3) The commission shall expend the money from the fund  
20 solely to finance the costs of well abandonment, pipeline removal,  
21 facility removal, remediation, and other costs associated with  
22 removal of oil and gas facilities from the Long Beach tidelands  
23 that are not the responsibility of other parties.

24 (4) All money remaining in the fund after completion of all  
25 activities described in subdivision (3) shall be transferred to the  
26 General Fund.

27 (e) The moneys deposited in the fund are hereby appropriated  
28 to the commission commencing when all of the following  
29 conditions are met:

30 (1) The City of Long Beach adopts a resolution declaring that  
31 the oil revenue described in subdivision (d) of Section 4 of Chapter  
32 138 of the Statutes of 1964, First Extraordinary Session, is  
33 insufficient to fund the costs of activities described in paragraph  
34 (3) of subdivision (d) of this section.

35 (2) The City of Long Beach transmits to the commission a copy  
36 of the resolution and all necessary accompanying documentation,  
37 including a plan for expenditures for the activities described in  
38 paragraph (3) of subdivision (d).

39 (3) The commission reviews the material provided in paragraph  
40 (2) and notifies the Controller within 60 calendar days of receiving

1 the material specified in paragraph (2), that expenditure from the  
2 fund may be made so that activities described in paragraph (3) of  
3 subdivision (d) can begin. The commission shall provide a schedule  
4 for expenditures for disbursement of moneys from the fund to the  
5 City of Long Beach. The commission shall submit a copy of the  
6 schedule to the Department of Finance and to the fiscal and  
7 appropriate policy committees of the Legislature.

8 ~~SEC. 151.~~

9 *SEC. 148.* Section 6331.5 of the Public Resources Code is  
10 amended to read:

11 6331.5. The commission shall make an inventory to ascertain  
12 and describe by metes and bounds the location and extent of all  
13 ungranted tidelands. The commission shall, in a local agency where  
14 the ungranted tideland boundary is described by metes and bounds,  
15 acquire and evaluate the existing boundary description to determine  
16 whether or not additional surveys should be conducted. When  
17 available, the local agency shall provide copies of the descriptions,  
18 together with all materials supporting the descriptions, including  
19 field notes and other basic data, to the commission at no cost, other  
20 than the reproduction cost, to the state.

21 No appropriation is made by the act adding this section, nor is  
22 an obligation created thereby, for the reimbursement of a local  
23 agency for costs, other than reproduction costs, that may be  
24 incurred by it in carrying on a program or performing a service  
25 required to be carried on or performed by it by this section.  
26 Reimbursements for reproduction expenditures shall be made by  
27 the commission from appropriations to the commission for the  
28 preparation of the inventory.

29 The commission shall evaluate each survey and shall adopt  
30 boundary descriptions already in common use where these metes  
31 and bounds descriptions approximate the existing line of ordinary  
32 high water where it is in a state of nature, or where the descriptions  
33 approximate the last position occupied in a state of nature by the  
34 line of ordinary high water in areas where the existing shoreline  
35 has ceased to be in a state of nature, and where sound engineering  
36 practices were used to conduct the survey. If metes and bounds  
37 descriptions of tideland boundaries are not available, or if the  
38 surveys do not describe the tideland boundary in a state of nature  
39 as hereinbefore defined, or if unsound engineering practices were  
40 used to describe a tideland boundary, the commission may conduct

1 its own survey. Unless otherwise provided by law, prior to  
2 undertaking a survey on ungranted tidelands, the commission shall  
3 prepare an inventory of those ungranted tidelands that will require  
4 a commission survey.

5 ~~SEC. 152.~~

6 *SEC. 149.* Section 12290 of the Public Resources Code is  
7 repealed.

8 ~~SEC. 153.~~

9 *SEC. 150.* Section 12291 of the Public Resources Code is  
10 repealed.

11 ~~SEC. 154.~~

12 *SEC. 151.* Section 25401.9 of the Public Resources Code is  
13 amended to read:

14 25401.9. (a) To the extent that funds are available, the  
15 commission, in consultation with the Department of Water  
16 Resources, shall adopt by regulation, after holding one or more  
17 public hearings, performance standards and labeling requirements  
18 for landscape irrigation equipment, including, but not limited to,  
19 irrigation controllers, moisture sensors, emission devices, and  
20 valves, for the purpose of reducing the wasteful, uneconomic,  
21 inefficient, or unnecessary consumption of energy or water.

22 (b) For the purposes of complying with subdivision (a), the  
23 commission shall do both of the following:

24 (1) Adopt performance standards and labeling requirements for  
25 landscape irrigation controllers and moisture sensors on or before  
26 January 1, 2010.

27 (2) Consider the Irrigation Association's Smart Water  
28 Application Technology Program testing protocols when adopting  
29 performance standards for landscape irrigation equipment,  
30 including, but not limited to, irrigation controllers, moisture  
31 sensors, emission devices, and valves.

32 (c) On and after January 1, 2012, an irrigation controller or  
33 moisture sensor for landscape irrigation uses may not be sold or  
34 installed in the state unless the controller or sensor meets the  
35 performance standards and labeling requirements established  
36 pursuant to this section.

37 ~~SEC. 155.~~

38 *SEC. 152.* Section 25722.5 of the Public Resources Code is  
39 amended to read:



1 25722.5. (a) In order to achieve the policy objectives set forth  
2 in Sections 25000.5 and 25722, the Department of General  
3 Services, in consultation with the commission and the State Air  
4 Resources Board, shall develop and adopt specifications and  
5 standards for all passenger cars and light-duty trucks that are  
6 purchased or leased on behalf of, or by, state offices, agencies,  
7 and departments. An authorized emergency vehicle, as defined in  
8 Section 165 of the Vehicle Code, that is equipped with emergency  
9 lamps or lights described in Section 25252 of the Vehicle Code is  
10 exempt from the requirements of this section. The specifications  
11 and standards shall include the following:

12 (1) Minimum air pollution emission specifications that meet or  
13 exceed California's Ultra-Low Emission Vehicle II (ULEV II)  
14 standards for exhaust emissions (13 Cal. Code Regs. 1961). These  
15 specifications shall apply on January 1, 2006, for passenger cars  
16 and on January 1, 2010, for light-duty trucks.

17 (2) Notwithstanding any other provision of law, the utilization  
18 of procurement policies that enable the Department of General  
19 Services to do all of the following:

20 (A) Evaluate and score emissions, fuel costs, and fuel economy  
21 in addition to capital cost to enable the Department of General  
22 Services to choose the vehicle with the lowest life-cycle cost when  
23 awarding a state vehicle procurement contract.

24 (B) Maximize the purchase or lease of hybrid or "Best in Class"  
25 vehicles that are substantially more fuel efficient than the class  
26 average.

27 (C) Maximize the purchase or lease of available vehicles that  
28 meet or exceed California's Super Ultra-Low Emission Vehicle  
29 (SULEV) passenger car standards for exhaust emissions.

30 (D) Maximize the purchase or lease of alternative fuel vehicles.

31 (3) In order to discourage the unnecessary purchase or leasing  
32 of a sport utility vehicle and a four-wheel drive truck, a requirement  
33 that each state office, agency, or department seeking to purchase  
34 or lease that vehicle, demonstrate to the satisfaction of the Director  
35 of General Services or to the entity that purchases or leases vehicles  
36 for that office, agency, or department, that the vehicle is required  
37 to perform an essential function of the office, agency, or  
38 department. If it is so demonstrated, priority consideration shall  
39 be given to the purchase or lease of an alternative fuel or hybrid  
40 sports utility vehicle or four-wheel drive vehicle.

1 (b) The specifications and standards developed and adopted  
2 pursuant to subdivision (a) do not apply upon the development  
3 and implementation of the method, criteria, and procedure  
4 described in Section 25722.6.

5 (c) Each state office, agency, and department shall review its  
6 vehicle fleet and, upon finding that it is fiscally prudent, cost  
7 effective, or otherwise in the public interest to do so, shall dispose  
8 of nonessential sport utility vehicles and four-wheel drive trucks  
9 in its fleet and replace these vehicles with more fuel-efficient  
10 passenger cars and trucks.

11 (d) To the maximum extent practicable, each state office,  
12 agency, and department that has bifuel natural gas, bifuel propane,  
13 and flex fuel vehicles in its vehicle fleet shall use the respective  
14 alternative fuel in those vehicles.

15 (e) The Director of General Services shall compile annually and  
16 maintain information on the nature of vehicles that are owned or  
17 leased by the state, including, but not limited to, all of the  
18 following:

19 (1) The number of passenger-type motor vehicles purchased or  
20 leased during the year, and the number owned or leased as of  
21 December 31 of each year.

22 (2) The number of sport utility vehicles and four-wheel drive  
23 trucks purchased or leased by the state during the year, and the  
24 number owned or leased as of December 31 of each year.

25 (3) The number of alternatively fueled vehicles and hybrid  
26 vehicles purchased or leased by the state during the year, and the  
27 total number owned or leased as of December 31 of each year and  
28 their location.

29 (4) The locations of the alternative fuel pumps available for  
30 those vehicles.

31 (5) The justification provided for all sport utility vehicles and  
32 four-wheel drive trucks purchased or leased by the state and the  
33 specific office, department, or agency responsible for the purchase  
34 or lease.

35 (6) The number of sport utility vehicles and four-wheel drive  
36 trucks purchased or leased by the state during the year, and the  
37 number owned or leased as of December 31 of each year that are  
38 alternative fuel or hybrid vehicles.

39 (7) The number of light-duty trucks disposed of under  
40 subdivision (c).

1 (8) The total dollars spent by the state on passenger-type vehicle  
2 purchases and leases, categorized by sport utility vehicle and  
3 nonsport utility vehicle, and within each of those categories, by  
4 alternative fuel, hybrid and other.

5 (9) The total annual consumption of gasoline and diesel fuel  
6 used by the state fleet.

7 (10) The total annual consumption of alternative fuels.

8 (11) On December 31, 2009, and annually thereafter, the  
9 Director of General Services shall also compile the total annual  
10 vehicle miles traveled by vehicles in the state fleet.

11 (f) Each state office, agency, and department shall cooperate  
12 with the Department of General Services' data requests in order  
13 that the department may compile and maintain the information  
14 required in subdivision (e).

15 (g) As soon as practicable, but no later than 12 months after  
16 receiving the data, the information compiled and maintained under  
17 subdivision (e) and a list of those state offices, agencies, and  
18 departments that are not in compliance with subdivision (f) shall  
19 be made available to the public on the Department of General  
20 Services' Internet Web site.

21 (h) Beginning July 1, 2009, and every three years thereafter,  
22 the Director of General Services shall prepare a report on the  
23 information compiled and maintained pursuant to subdivision (e).  
24 The Director of General Service shall post that report on its Internet  
25 Web site.

26 (i) Pursuant to Article IX of the California Constitution, this  
27 section shall not apply to the University of California except to  
28 the extent that the Regents of the University of California, by  
29 appropriate resolution, make this section applicable.

30 ~~SEC. 156.~~

31 *SEC. 153.* Section 25722.8 of the Public Resources Code is  
32 amended to read:

33 25722.8. (a) On or before July 1, 2009, the Secretary of State  
34 and Consumer Services, in consultation with the Department of  
35 General Services and other appropriate state agencies that maintain  
36 or purchase vehicles for the state fleet, including the campuses of  
37 the California State University, shall develop and implement, and  
38 submit to the Legislature and the Governor, a plan to improve the  
39 overall state fleet's use of alternative fuels, synthetic lubricants,  
40 and fuel-efficient vehicles by reducing or displacing the

1 consumption of petroleum products by the state fleet when  
2 compared to the 2003 consumption level based on the following  
3 schedule:

4 (1) By January 1, 2012, a 10-percent reduction or displacement.

5 (2) By January 1, 2020, a 20-percent reduction or displacement.

6 (b) Beginning April 1, 2010, and annually thereafter, the  
7 Department of General Services shall prepare a progress report on  
8 meeting the goals specified in subdivision (a). The Department of  
9 General Services shall post the progress report available on its  
10 Internet Web site.

11 ~~SEC. 157.~~

12 *SEC. 154.* Section 29773.5 of the Public Resources Code is  
13 repealed.

14 ~~SEC. 158.~~

15 *SEC. 155.* Section 30404 of the Public Resources Code is  
16 amended to read:

17 30404. (a) The Natural Resources Agency shall periodically,  
18 in the case of the State Energy Resources Conservation and  
19 Development Commission, the State Board of Forestry and Fire  
20 Protection, the State Water Resources Control Board and the  
21 California regional water quality control boards, the State Air  
22 Resources Board and air pollution control districts and air quality  
23 management districts, the Department of Fish and Game, the  
24 Department of Parks and Recreation, the Department of Boating  
25 and Waterways, the California Geological Survey and the Division  
26 of Oil, Gas, and Geothermal Resources in the Department of  
27 Conservation, and the State Lands Commission, and may, with  
28 respect to any other state agency, submit recommendations  
29 designed to encourage the state agency to carry out its functions  
30 in a manner consistent with this division. The recommendations  
31 may include proposed changes in administrative regulations, rules,  
32 and statutes.

33 (b) This section shall remain in effect only until July 1, 2013,  
34 and as of that date is repealed, unless a later enacted statute, that  
35 is enacted before July 1, 2013, deletes or extends that date.

36 ~~SEC. 159.~~

37 *SEC. 156.* Section 30404 is added to the Public Resources  
38 Code, to read:

39 30404. (a) The Natural Resources Agency shall periodically,  
40 in the case of the State Energy Resources Conservation and

1 Development Commission, the State Board of Forestry and Fire  
2 Protection, the State Water Resources Control Board and the  
3 California regional water quality control boards, the State Air  
4 Resources Board and air pollution control districts and air quality  
5 management districts, the Department of Fish and Game, the  
6 Department of Parks and Recreation, the California Geological  
7 Survey and the Division of Oil, Gas, and Geothermal Resources  
8 in the Department of Conservation, and the State Lands  
9 Commission, and may, with respect to any other state agency,  
10 submit recommendations designed to encourage the state agency  
11 to carry out its functions in a manner consistent with this division.  
12 The recommendations may include proposed changes in  
13 administrative regulations, rules, and statutes.

14 (b) This section shall become operative on July 1, 2013.

15 ~~SEC. 160.~~

16 *SEC. 157.* Section 30533 of the Public Resources Code is  
17 repealed.

18 ~~SEC. 161.~~

19 *SEC. 158.* Section 32556 of the Public Resources Code is  
20 amended to read:

21 32556. (a) The board shall consist of 13 voting members and  
22 seven nonvoting members.

23 (b) The 13 voting members of the board shall consist of the  
24 following:

25 (1) The Secretary of the Resources Agency, or his or her  
26 designee.

27 (2) The Director of Parks and Recreation, or his or her designee.

28 (3) The Director of Finance, or his or her designee.

29 (4) The Director of the Los Angeles County Department of  
30 Parks, or his or her designee.

31 (5) The member of the Los Angeles County Board of  
32 Supervisors within whose district the majority of the Baldwin Hills  
33 area is located.

34 (6) Six members of the public appointed by the Governor who  
35 are residents of Los Angeles County and who represent the  
36 diversity of the community surrounding the Baldwin Hills area.  
37 Of those six members, four members shall be selected as follows:

38 (A) One member shall be a resident of Culver City selected  
39 from a list of three persons nominated by the city council.

(B) Three members shall be residents of the adjacent communities of Blair Hills, Ladera Heights, Baldwin Hills, Windsor Hills, Inglewood, View Park, or Baldwin Vista.

(7) A resident of Los Angeles County appointed by the Speaker of the Assembly, and a resident of Los Angeles County appointed by the Senate Committee on Rules.

(c) The seven nonvoting members shall consist of the following:

(1) The Secretary of the California Environmental Protection Agency, or his or her designee.

(2) The Executive Officer of the State Coastal Conservancy, or his or her designee.

(3) The Executive Officer of the State Lands Commission, or his or her designee.

(4) An appointee of the Governor with experience in developing contaminated sites, commonly referred to as “brownfields.”

(5) The Executive Director of the Santa Monica Mountains Conservancy, or his or her designee.

(6) The Director of the Culver City Human Services Department, or his or her designee.

(7) The Director of the Department of Conservation, or his or her designee.

(d) A quorum shall consist of seven voting members of the board, and any action of the board affecting any matter before the board shall be decided by a majority vote of the voting members present, a quorum being present. However, the affirmative vote of at least four of the voting members of the board shall be required for the transaction of any business of the board.

(e) The board shall do both of the following:

(1) Study the potential environmental and recreational uses of Ballona Creek and the adjacent property described in subdivision (a) of Section 32553.

(2) Develop a proposed map for that area.

~~SEC. 162.~~

~~SEC. 159.~~ Section 32556.2 of the Public Resources Code is repealed.

~~SEC. 163.~~

~~SEC. 160.~~ Section 41821.5 of the Public Resources Code is amended to read:

41821.5. (a) Disposal facility operators shall submit to counties information from periodic tracking surveys on the disposal

1 tonnages by jurisdiction or region of origin that are disposed of at  
2 each disposal facility. To enable disposal facility operators to  
3 provide that information, solid waste handlers and transfer station  
4 operators shall provide information to disposal facility operators  
5 on the origin of the solid waste that they deliver to the disposal  
6 facility.

7 (b) Recycling and composting facilities shall submit periodic  
8 information to counties on the types and quantities of materials  
9 that are disposed of, sold to end users, or that are sold to exporters  
10 or transporters for sale outside of the state, by county of origin.  
11 When materials are sold or transferred by one recycling or  
12 composting facility to another, for other than an end use of the  
13 material or for export, the seller or transferrer of the material shall  
14 inform the buyer or transferee of the county of origin of the  
15 materials. The reporting requirements of this subdivision do not  
16 apply to entities that sell the byproducts of a manufacturing  
17 process.

18 (c) Each county shall submit periodic reports to the cities within  
19 the county, to any regional agency of which it is a member agency,  
20 and to the board, on the amounts of solid waste disposed by  
21 jurisdiction or region of origin, as specified in subdivision (a), and  
22 on the categories and amounts of solid waste diverted to recycling  
23 and composting facilities within the county or region, as specified  
24 in subdivision (b).

25 (d) The board may adopt regulations pursuant to this section  
26 requiring practices and procedures that are reasonable and  
27 necessary to perform the periodic tracking surveys required by  
28 this section, and that provide a representative accounting of solid  
29 wastes that are handled, processed, or disposed. Those regulations  
30 or periodic tracking surveys approved by the board shall not impose  
31 an unreasonable burden on waste handling, processing, or disposal  
32 operations or otherwise interfere with the safe handling, processing,  
33 and disposal of solid waste.

34 ~~SEC. 164.~~

35 *SEC. 161.* Section 42889.3 of the Public Resources Code is  
36 repealed.

37 ~~SEC. 165.~~

38 *SEC. 162.* Section 47123 of the Public Resources Code is  
39 repealed.

1     ~~SEC. 166.~~

2     ~~SEC. 163.~~ Section 5096.829 of the Public Resources Code is  
3     repealed.

4     ~~SEC. 167.~~

5     ~~SEC. 164.~~ Section 71211 of the Public Resources Code is  
6     amended to read:

7     71211. (a) (1) The Department of Fish and Game, in  
8     consultation with the commission and the United States Coast  
9     Guard, shall collect data necessary to establish and maintain an  
10    inventory of the location and geographic range of nonindigenous  
11    species populations in the coastal and estuarine waters of the state  
12    that includes open coastal waters and bays and estuaries. In  
13    particular, data shall be collected that does both of the following:

14    (A) Supplements the existing baseline of nonindigenous species  
15    previously developed pursuant to this section, by adding data from  
16    investigations of intertidal and nearshore subtidal habitats along  
17    the open coast.

18    (B) Monitors the coastal and estuarine waters of the state,  
19    including, but not limited to, habitats along the open coast, for new  
20    introductions of nonindigenous species or spread of existing  
21    nonindigenous species populations.

22    (2) Whenever possible, the study shall utilize appropriate,  
23    existing data, including data from previous studies made pursuant  
24    to this section. The Department of Fish and Game shall make the  
25    inventory and accompanying analysis available to the public  
26    through the Internet on or before January 1, 2007, and annually  
27    shall provide to the public an update of that inventory.

28    (b) (1) The Department of Fish and Game, in consultation with  
29    the commission and the United States Coast Guard, shall assess  
30    the effectiveness of the ballast water controls implemented pursuant  
31    to this division by comparing the status and establishment of  
32    nonindigenous species populations, as determined from the data  
33    collected pursuant to subdivision (a), with the baseline data  
34    collected pursuant to this division and submitted in a report to the  
35    Legislature in 2003.

36    (2) Whenever possible, this research shall utilize appropriate,  
37    existing data.

38    (c) Information generated by the research conducted pursuant  
39    to this section shall be of the type and in a format useful for



1 subsequent studies and reports undertaken for any of the following  
2 purposes:

- 3 (1) The determination of alternative discharge zones.
- 4 (2) The identification of environmentally sensitive areas to be  
5 avoided for uptake or discharge of ballast water.
- 6 (3) The long-term effectiveness of discharge control measures.
- 7 (4) The determination of potential risk zones where uptake or  
8 discharge of ballast water shall be prohibited.
- 9 (5) The rate and risk of establishment of nonindigenous species  
10 in the coastal waters of the state, and resulting impacts.

11 ~~SEC. 168.~~

12 *SEC. 165.* Section 9502 of the Public Utilities Code is repealed.

13 ~~SEC. 169.~~

14 *SEC. 166.* Section 185032 of the Public Utilities Code is  
15 amended to read:

16 185032. Upon an appropriation in the Budget Act for that  
17 purpose, the authority shall prepare a plan for the construction and  
18 operation of a high-speed train network for the state, consistent  
19 with and continuing the work of the Intercity High-Speed Rail  
20 Commission conducted prior to January 1, 1997. The plan shall  
21 include an appropriate network of conventional intercity passenger  
22 rail service and shall be coordinated with existing and planned  
23 commuter and urban rail systems.

24 (a) The authorization and responsibility for planning,  
25 construction, and operation of high-speed passenger train service  
26 at speeds exceeding 125 miles per hour in this state is exclusively  
27 granted to the authority.

28 (b) Except as provided in paragraph (2), nothing in this  
29 subdivision precludes other local, regional, or state agencies from  
30 exercising powers provided by law with regard to planning or  
31 operating, or both, passenger rail service.

32 ~~SEC. 170.~~

33 *SEC. 167.* Section 8352.4 of the Revenue and Taxation Code  
34 is amended to read:

35 8352.4. (a) Subject to Sections 8352 and 8352.1, and except  
36 as otherwise provided in subdivision (b), there shall be transferred  
37 from the money deposited to the credit of the Motor Vehicle Fuel  
38 Account to the Harbors and Watercraft Revolving Fund, for  
39 expenditure in accordance with Division 1 (commencing with  
40 Section 30) of the Harbors and Navigation Code, the sum of six

1 million six hundred thousand dollars (\$6,600,000) per annum,  
2 representing the amount of money in the Motor Vehicle Fuel  
3 Account attributable to taxes imposed on distributions of motor  
4 vehicle fuel used or usable in propelling vessels. The actual amount  
5 shall be calculated using the annual reports of registered boats  
6 prepared by the Department of Motor Vehicles for the United  
7 States Coast Guard and the formula and method of the December  
8 1972 report prepared for this purpose and submitted to the  
9 Legislature on December 26, 1972, by the Director of  
10 Transportation. If the amount transferred during each fiscal year  
11 is in excess of the calculated amount, the excess shall be  
12 retransferred from the Harbors and Watercraft Revolving Fund to  
13 the Motor Vehicle Fuel Account. If the amount transferred is less  
14 than the amount calculated, the difference shall be transferred from  
15 the Motor Vehicle Fuel Account to the Harbors and Watercraft  
16 Revolving Fund. No adjustment shall be made if the computed  
17 difference is less than fifty thousand dollars (\$50,000), and the  
18 amount shall be adjusted to reflect any temporary or permanent  
19 increase or decrease that may be made in the rate under the Motor  
20 Vehicle Fuel Tax Law. Payments pursuant to this section shall be  
21 made prior to payments pursuant to Section 8352.2.

22 (b) Commencing July 1, 2012, the revenues attributable to the  
23 taxes imposed pursuant to subdivision (b) of Section 7360 and  
24 Section 7361.1 and otherwise to be deposited in the Harbors and  
25 Watercraft Revolving Fund pursuant to subdivision (a) shall instead  
26 be transferred to the General Fund. The revenues attributable to  
27 the taxes imposed pursuant to subdivision (b) of Section 7360 and  
28 Section 7361.1 that were deposited in the Harbors and Watercraft  
29 Revolving Fund in the 2010–11 and 2011–12 fiscal years shall be  
30 transferred to the General Fund.

31 ~~SEC. 171.~~

32 *SEC. 168.* Section 10752.2 of the Revenue and Taxation Code  
33 is amended to read:

34 10752.2. (a) For initial or renewal registrations due on and  
35 after May 19, 2009, but before July 1, 2011, in addition to the  
36 annual license fee for a vehicle, other than a commercial motor  
37 vehicle described in Section 9400.1 of the Vehicle Code, imposed  
38 pursuant to Sections 10752 and 10752.1, a sum equal to 0.15  
39 percent of the market value of the vehicle as determined by the  
40 department, shall be added to that annual fee.

(b) Notwithstanding Chapter 5 (commencing with Section 11001) or any other law to the contrary, all revenues (including penalties), less refunds, derived from fees collected pursuant to subdivision (a) shall be deposited in the General Fund and transferred to the Local Safety and Protection Account, which is hereby established in the Transportation Tax Fund. Notwithstanding Section 13340 of the Government Code, all moneys in the account are hereby continuously appropriated, without regard to fiscal year, to the Controller for allocation pursuant to Sections 29553, 30061, and 30070 of the Government Code, Section 13821 of the Penal Code, and Sections 18220 and 18220.1 of the Welfare and Institutions Code. All revenue derived from subdivision (a) that is received after June 30, 2011, shall be deemed to have been received during the 2010–11 fiscal year for purposes of allocation by the Controller.

~~SEC. 172.~~

*SEC. 169.* Section 97 of the Streets and Highways Code is amended to read:

97. (a) A state highway segment shall be designated by the department as a Safety Enhancement-Double Fine Zone if all of the following conditions have been satisfied:

(1) The highway segment is eligible for designation pursuant to subdivision (b).

(2) The Director of Transportation, in consultation with the Commissioner of the California Highway Patrol, certifies that the segment identified in subdivision (b) meets all of the following criteria:

(A) The highway segment is a conventional highway or expressway and is part of the state highway system.

(B) The rate of total collisions per mile per year on the segment under consideration has been at least 1.5 times the statewide average for similar roadway types during the most recent three-year period for which data are available.

(C) The rate of head-on collisions per mile per year on the segment under consideration has been at least 1.5 times the statewide average for similar roadway types during the most recent three-year period for which data are available.

1 (3) The Department of the California Highway Patrol or local  
2 agency having traffic enforcement jurisdiction, as the case may  
3 be, has concurred with the designation.

4 (4) The governing board of each city, or county with respect to  
5 an unincorporated area, in which the segment is located has by  
6 resolution indicated that it supports the designation.

7 (5) An active public awareness effort to change driving behavior  
8 is ongoing either by the local agency with jurisdiction over the  
9 segment or by another state or local entity.

10 (6) Other traffic safety enhancements, including, but not limited  
11 to, increased enforcement and other roadway safety measures, are  
12 in place or are being implemented concurrent with the designation  
13 of the Safety Enhancement-Double Fine Zone.

14 (b) The following segments are eligible for designation as a  
15 Safety Enhancement-Double Fine Zone pursuant to subdivision  
16 (a):

17 State Highway Route 12 between the State Highway Route 80  
18 junction in Solano County and the State Highway Route 5 junction  
19 in San Joaquin County.

20 (c) Designation of a segment as a Safety Enhancement-Double  
21 Fine Zone by the department pursuant to subdivision (a) shall be  
22 done in writing and a written notification shall be provided to the  
23 court with jurisdiction over the area in which the highway segment  
24 is located. The designation shall be valid for a minimum of two  
25 years from the date of submission to the court.

26 (d) After the two-year period, and at least every two years  
27 thereafter, the department, in consultation with the Department of  
28 the California Highway Patrol, shall evaluate whether the highway  
29 segment continues to meet the conditions set forth in subdivision  
30 (a). If the segment meets those conditions, the department shall  
31 renew the designation in which case an updated notification shall  
32 be sent to the court. If the department, in consultation with the  
33 Department of the California Highway Patrol, determines that any  
34 of those conditions no longer apply to a segment designated as a  
35 Safety Enhancement-Double Fine Zone under this section, the  
36 department shall revoke the designation and the segment shall  
37 cease to be a Safety Enhancement-Double Fine Zone.

38 (e) A Safety Enhancement-Double Fine Zone is subject to the  
39 rules and regulations adopted by the department prescribing  
40 uniform standards for warning signs to notify motorists that,

1 pursuant to Section 42010 of the Vehicle Code, increased penalties  
2 apply for traffic violations that are committed within a Safety  
3 Enhancement-Double Fine Zone.

4 (f) (1) The department or the local authority having jurisdiction  
5 over these highway and road segments shall place and maintain  
6 the warning signs identifying these segments by stating that a  
7 “Special Safety Zone Region Begins Here” and a “Special Safety  
8 Zone Ends Here.”

9 (2) Increased penalties shall apply to violations under Section  
10 42010 of the Vehicle Code only if appropriate signage is in place  
11 pursuant to this subdivision.

12 (3) If designation as a Safety Enhancement-Double Fine Zone  
13 is revoked pursuant to subdivision (d), the department shall be  
14 responsible for removal of all signage placed pursuant to this  
15 subdivision.

16 (g) Safety Enhancement-Double Fine Zones do not increase the  
17 civil liability of the state or local authority having jurisdiction over  
18 the highway segment under Division 3.6 (commencing with Section  
19 810) of Title 1 of the Government Code or any other provision of  
20 law relating to civil liability.

21 (1) Only the base fine shall be enhanced pursuant to this section.

22 (2) Notwithstanding any other provision of law, any additional  
23 penalty, forfeiture, or assessment imposed by any other statute  
24 shall be based on the amount of the base fine before enhancement  
25 or doubling and shall not be based on the amount of the enhanced  
26 fine imposed pursuant to this section.

27 (h) The projects specified as a Safety Enhancement-Double  
28 Fine Zone shall not be elevated in priority for state funding  
29 purposes.

30 (i) The requirements of subdivision (a) shall not apply to the  
31 Safety Enhancement-Double Fine Zone established prior to the  
32 effective date of this subdivision pursuant to Section 97.4 or to the  
33 Safety Enhancement-Double Fine Zones established pursuant to  
34 Section 97.5.

35 ~~SEC. 173.~~

36 *SEC. 170.* Section 164.56 of the Streets and Highways Code  
37 is amended to read:

38 164.56. (a) It is the intent of the Legislature to allocate ten  
39 million dollars (\$10,000,000) annually to the Environmental

1 Enhancement and Mitigation Program Fund, which is hereby  
2 created.

3 (b) Local, state, and federal agencies and nonprofit entities may  
4 apply for and may receive grants, not to exceed five million dollars  
5 (\$5,000,000) for any single grant, to undertake environmental  
6 enhancement and mitigation projects that are directly or indirectly  
7 related to the environmental impact of modifying existing  
8 transportation facilities or for the design, construction, or expansion  
9 of new transportation facilities.

10 (c) Projects eligible for funding include, but are not limited to,  
11 all of the following:

12 (1) Highway landscaping and urban forestry projects designed  
13 to offset vehicular emissions of carbon dioxide.

14 (2) Acquisition or enhancement of resource lands to mitigate  
15 the loss of, or the detriment to, resource lands lying within the  
16 right-of-way acquired for proposed transportation improvements.

17 (3) Roadside recreational opportunities, including roadside rests,  
18 trails, trailheads, and parks.

19 (4) Projects to mitigate the impact of proposed transportation  
20 facilities or to enhance the environment, where the ability to  
21 effectuate the mitigation or enhancement measures is beyond the  
22 scope of the lead agency responsible for assessing the  
23 environmental impact of the proposed transportation improvement.

24 (d) Grant proposals shall be submitted to the Resources Agency  
25 for evaluation in accordance with procedures and criteria prescribed  
26 by the Resources Agency. The Resources Agency shall evaluate  
27 proposals submitted to it and prepare a list of proposals  
28 recommended for funding. The list may be revised at any time.  
29 Prior to including a proposal on the list, the Resources Agency  
30 shall make a finding that the proposal is eligible for funding  
31 pursuant to subdivision (f).

32 (e) Within the fiscal limitations of subdivisions (a) and (b), the  
33 commission shall annually award grants to fund proposals that are  
34 included on the list prepared by the Resources Agency pursuant  
35 to subdivision (d).

36 (f) Projects funded pursuant to this section shall be projects that  
37 contribute to mitigation of the environmental effects of  
38 transportation facilities, as provided for by Section 1 of Article  
39 XIX of the California Constitution.

1     ~~SEC. 174.~~

2     *SEC. 171.* Section 182.8 of the Streets and Highways Code is  
3 amended to read:

4     182.8. (a) It is the intent of the Legislature that this program  
5 help increase flexibility in the use of state and federal funding to  
6 complete transportation improvements. The ability to exchange  
7 certain federal funds for state funds may enhance that flexibility.  
8 However, it is the intent of the Legislature that the commission  
9 make these exchanges only if the exchanges do not compromise  
10 other state funded projects or activities.

11     (b) The commission shall propose guidelines and procedures  
12 to implement this section, hold a public hearing on the guidelines,  
13 and adopt the guidelines on or before February 1, 2001. The  
14 commission shall begin the exchange program on or before  
15 February 1, 2001, if it determines that funding is available for that  
16 purpose. The commission may amend its guidelines after holding  
17 a public hearing, but may not amend the guidelines between the  
18 time it notifies regional transportation planning agencies of the  
19 amount of state funds available for exchange and its approval of  
20 projects for exchange in any given year.

21     (c) On or before January 5 of each year, the department shall  
22 report to the commission the amounts apportioned as federal local  
23 assistance in the regional surface transportation and congestion  
24 mitigation and air quality programs for the year, the Federal  
25 Obligation Authority for the year, and the amount of federal funds  
26 it expects to be able to obligate for work on projects in all programs  
27 on or before September 30 of that year, and the commission, in  
28 cooperation with the department, shall determine the amount of  
29 state funds from the Traffic Congestion Relief Fund that can be  
30 made available for exchange under this section. If the release of  
31 federal apportionments and obligational authority is delayed  
32 beyond November 1 in any year, all the dates specified in this  
33 section shall be extended by an equivalent time, however, all  
34 federal funds exchanged shall be obligated on or before September  
35 30 of the current federal fiscal year.

36     (d) The commission may exchange funds under this section if  
37 it determines all of the following:

38     (1) Adequate state funds are available to accomplish the  
39 exchange without putting at risk other transportation activities or  
40 projects needing state funds.

1 (2) Any exchange will be consistent with full implementation  
2 of the Traffic Congestion Relief Act of 2000.

3 (3) Federal funds received in exchange can be readily and  
4 effectively used on other projects or activities by the state during  
5 the federal fiscal year.

6 (e) After making the determinations set forth in subdivision (d)  
7 the commission may offer to exchange state funds from the Traffic  
8 Congestion Relief Fund for federal local assistance funds, subject  
9 to the limits imposed under this section. For the purpose of this  
10 section, “federal local assistance” funds means regional surface  
11 transportation program or congestion mitigation and air quality  
12 program apportionments received that federal fiscal year and  
13 apportioned as local assistance pursuant to Sections 182.6 and  
14 182.7.

15 (f) Not later than February 1 of each year, the commission shall  
16 notify the regional transportation planning agencies of the amount  
17 of state funds available for exchange for federal local assistance  
18 funds for that year. The maximum amount of state funds to be  
19 exchanged may not exceed 50 percent of the total amount of federal  
20 regional surface transportation program and congestion mitigation  
21 and air quality program funds apportioned for the current fiscal  
22 year as local assistance pursuant to subdivision (b) of Section 182.6  
23 and subdivision (b) of Section 182.7, exclusive of state funds that  
24 may be exchanged pursuant to subdivision (g) of Section 182.6,  
25 paragraphs (1) and (2) of subdivision (h) of Section 182.6, or  
26 Section 182.7. Federal funds exchanged under this program shall  
27 be available for projects identified by the commission as ready to  
28 obligate during determination of the amount available for exchange.  
29 The amount of exchange may not exceed the department’s ability  
30 to obligate all federal funds during the current federal fiscal year.  
31 The commission may not exchange state funds for regional surface  
32 transportation program funds required to be spent for transportation  
33 enhancements. This section does not affect the amount of exchange  
34 under subdivision (g) of Sections 182.6, or paragraphs (1) and (2)  
35 of subdivision (h) of Section 182.6.

36 (g) Regional transportation planning agencies may submit  
37 applications for exchange of funds to the commission not later  
38 than March 15 of each year. Applications shall identify the  
39 proposed use for the exchange funds, including project descriptions,  
40 cost estimates, scopes of work, schedules for construction,



1 schedules for expenditures, and any other information required by  
2 the commission. The commission may require a region to identify  
3 priorities among applications it submits.

4 (h) If the commission receives applications for more exchange  
5 funds than the amount of state funds available, the commission  
6 shall select projects for exchange up to the amount of state funds  
7 available. The commission shall explain the criteria it uses to select  
8 projects, which shall include, but are not limited to, all of the  
9 following:

10 (1) Removal of all federal funds from projects.

11 (2) Assessment of projects that would benefit most from removal  
12 of federal funding because of size, type, location, agency capability,  
13 features, or federal requirements.

14 (3) Approximate relative equity within the program among  
15 regions in receiving state exchange funds over a multiyear period.

16 (i) The commission may exchange state funds for federal local  
17 assistance funds with agencies requesting exchanges. Agencies  
18 wishing to exchange their federal funds shall provide  
19 apportionments and obligation authority at the same rate the  
20 Federal Highway Administration distributes obligation authority.  
21 Agencies exchanging federal funds shall receive funds equal to  
22 90 percent of the obligation authority exchanged. The commission  
23 shall approve exchanges of funds not later than its second regularly  
24 scheduled meeting following March 15 each year.

25 (j) The commission shall determine an exchange payment  
26 schedule based on expenditure plans. The commission may suspend  
27 exchange payment schedules if it determines projects are not  
28 proceeding.

29 (k) For financial display and reporting purposes, obligational  
30 authority received pursuant to this section shall be reported as a  
31 revenue accrual in the Traffic Congestion Relief Fund in the year  
32 in which the exchange is approved under subdivision (i). Funds  
33 approved for exchange shall be accrued as expenditures in the year  
34 in which the exchange is approved. Notwithstanding Section 16362  
35 of the Government Code, the department shall repay from the State  
36 Highway Account to the Traffic Congestion Relief Fund all funds  
37 received as federal reimbursements for funds exchanged under  
38 this section as they are received from the Federal Highway  
39 Administration, except that those repayments are not required to  
40 be made more frequently than on a quarterly basis.

1 (l) State funds provided through an exchange under this section  
2 shall be encumbered within one year and expended within three  
3 years.

4 (m) Upon adoption of its implementing guidelines, the  
5 commission may consider requests for exchanges under this  
6 section.

7 (n) Regional and local agencies shall use state exchange funds  
8 only for projects or purposes for which the federal local assistance  
9 funds being exchanged were originally intended, and may not  
10 supplant local funds on projects in order that those local funds can  
11 subsequently be used for nontransportation purposes. The  
12 commission may require agencies to certify that they are meeting  
13 this requirement. Agencies not meeting this maintenance of effort  
14 requirement may not be allowed to participate in the next exchange  
15 cycle.

16 (o) Not later than the effective date of the reauthorization of the  
17 federal surface transportation act, the commission shall submit a  
18 report to the Governor and the Legislature recommending any  
19 changes in the exchange program necessitated by that  
20 reauthorization.

21 ~~SEC. 175.~~

22 *SEC. 172.* Section 2424 of the Streets and Highways Code is  
23 amended to read:

24 2424. (a) The department, metropolitan planning organizations,  
25 county transportation commissions, regional transportation  
26 planning agencies, counties, cities, and a city and county shall  
27 comply with all reporting requirements to the Federal Highway  
28 Administration (FHWA) established in federal law regarding funds  
29 made available under the American Recovery and Reinvestment  
30 Act of 2009.

31 (b) In complying with the requirements of subdivision (a), the  
32 department, metropolitan planning organizations, county  
33 transportation commissions, regional transportation planning  
34 agencies, counties, cities, and a city and county shall provide the  
35 same data they provide to the FHWA to the department under the  
36 same timelines required by the FHWA or federal law. Regional  
37 entities shall include in the data provided to the department  
38 information on the use of federal funds made available under the  
39 American Recovery and Reinvestment Act of 2009 that were  
40 suballocated to cities and counties within their jurisdiction.

1 (c) All jurisdictions that received and obligated or expended  
2 federal funds for transportation enhancement activities pursuant  
3 to federal law and this chapter shall include in the data they provide  
4 to the department pursuant to subdivision (b) a description of the  
5 number, value, and type of project that involved the participation  
6 of a community conservation corps or the California Conservation  
7 Corps.

8 ~~SEC. 176.~~

9 *SEC. 173.* Section 30161.5 of the Streets and Highways Code  
10 is amended to read:

11 30161.5. (a) For any bridge at which an automatic vehicle  
12 identification system, as described in this section, has been installed  
13 and is in operation, the department may waive the requirement  
14 that the holder of a credit permit furnish and maintain a surety  
15 bond. The automatic vehicle identification system shall have the  
16 capability of identifying each vehicle operating under the permit  
17 and of tabulating the number of bridge crossings by those vehicles.  
18 This section does not affect the authority of the department under  
19 Section 30796.8.

20 (b) The department shall notify the Legislature of the date upon  
21 which it commences operation of the system described in  
22 subdivision (a) on any bridge other than the bridge described in  
23 Section 30796.

24 (c) This section shall become inoperative five years from the  
25 date specified by the department pursuant to subdivision (b), and  
26 as of January 1 next following that date is repealed, unless a later  
27 enacted statute, which becomes effective on or before that January  
28 1, deletes or extends that date.

29 ~~SEC. 177.~~

30 *SEC. 174.* Section 9907 of the Unemployment Insurance Code  
31 is repealed.

32 ~~SEC. 178.~~

33 *SEC. 175.* Section 15002 of the Unemployment Insurance Code  
34 is amended to read:

35 15002. (a) The California Workforce Investment Board  
36 (CWIB) shall establish a special committee known as the Green  
37 Collar Jobs Council (GCJC), comprised of the appropriate  
38 representatives from the CWIB existing membership, including  
39 the K-12 representative, the California Community Colleges  
40 representative, the Business, Transportation and Housing Agency

1 representative, the Employment Development Department  
2 representative, and other appropriate members. The GCJC may  
3 consult with other state agencies, other higher education  
4 representatives, local workforce investment boards, and industry  
5 representatives as well as philanthropic, nongovernmental, and  
6 environmental groups, as appropriate, in the development of a  
7 strategic initiative. To the extent private funds are available, is the  
8 intent of the Legislature that the GCJC will develop an annual  
9 award for outstanding achievement for workforce training programs  
10 operated by local or state agencies, businesses, or non-government  
11 organizations to be named after Parrish R. Collins.

12 (b) As part of the strategic initiative, the GCJC shall focus on  
13 developing the framework, funding, strategies, programs, policies,  
14 partnerships, and opportunities necessary to address the growing  
15 need for a highly skilled and well-trained workforce to meet the  
16 needs of California's emerging green economy. The GCJC shall  
17 do all of the following:

18 (1) Assist in identifying and linking green collar job  
19 opportunities with workforce development training opportunities  
20 in local workforce investment areas (LWIAs), encouraging regional  
21 collaboration among LWIAs to meet regional economic demands.

22 (2) Align workforce development activities with regional  
23 economic recovery and growth strategies.

24 (3) Develop public, private, philanthropic, and nongovernmental  
25 partnerships to build and expand the state's workforce development  
26 programs, network, and infrastructure.

27 (4) Provide policy guidance for job training programs for the  
28 clean and green technology sectors to help them prepare specific  
29 populations, such as at-risk youth, displaced workers, veterans,  
30 formerly incarcerated individuals, and others facing barriers to  
31 employment.

32 (5) Develop, collect, analyze, and distribute statewide and  
33 regional labor market data on California's new and emerging green  
34 industries workforce needs, trends, and job growth.

35 (6) Collaborate with community colleges and other educational  
36 institutions, registered apprenticeship programs, business and labor  
37 organizations, and community-based and philanthropic  
38 organizations to align workforce development services with  
39 strategies for regional economic growth.

1 (7) Identify funding resources and make recommendations on  
2 how to expand and leverage these funds.

3 (8) Foster regional collaboratives in the green economic sector.

4 (c) The CWIB may accept any revenues, moneys, grants, goods,  
5 or services from federal and state entities, philanthropic  
6 organizations, and other sources, to be used for purposes relating  
7 to the administration and implementation of the strategic initiative,  
8 as described in subdivision (b). The CWIB shall also ensure the  
9 highest level of transparency and accountability and make  
10 information available on the CWIB Internet Web site.

11 (d) Upon appropriation by the Legislature, the department may  
12 expend the moneys and revenues received pursuant to subdivision  
13 (c) for purposes related to the administration and implementation  
14 of the strategic initiative, and for the award of workforce training  
15 grants implementing the strategic initiative.

16 ~~SEC. 179.~~

17 *SEC. 176.* Section 9250.7 of the Vehicle Code is amended to  
18 read:

19 9250.7. (a) (1) A service authority established under Section  
20 22710 may impose a service fee of one dollar (\$1) on all vehicles,  
21 except vehicles described in subdivision (a) of Section 5014.1,  
22 registered to an owner with an address in the county that  
23 established the service authority. The fee shall be paid to the  
24 department at the time of registration, or renewal of registration,  
25 or when renewal becomes delinquent, except on vehicles that are  
26 expressly exempted under this code from the payment of  
27 registration fees.

28 (2) In addition to the one-dollar (\$1) service fee, and upon the  
29 implementation of the permanent trailer identification plate  
30 program, and as part of the Commercial Vehicle Registration Act  
31 of 2001, all commercial motor vehicles subject to Section 9400.1  
32 registered to an owner with an address in the county that  
33 established a service authority under this section shall pay an  
34 additional service fee of two dollars (\$2).

35 (b) The department, after deducting its administrative costs,  
36 shall transmit, at least quarterly, the net amount collected pursuant  
37 to subdivision (a) to the Treasurer for deposit in the Abandoned  
38 Vehicle Trust Fund, which is hereby created. All money in the  
39 fund is continuously appropriated to the Controller for allocation  
40 to a service authority that has an approved abandoned vehicle

1 abatement program pursuant to Section 22710, and for payment  
2 of the administrative costs of the Controller. After deduction of  
3 its administrative costs, the Controller shall allocate the money in  
4 the Abandoned Vehicle Trust Fund to each service authority in  
5 proportion to the revenues received from the fee imposed by that  
6 authority pursuant to subdivision (a). If any funds received by a  
7 service authority pursuant to this section are not expended to abate  
8 abandoned vehicles pursuant to an approved abandoned vehicle  
9 abatement program that has been in existence for at least two full  
10 fiscal years within 90 days of the close of the fiscal year in which  
11 the funds were received and the amount of those funds exceeds  
12 the amount expended by the service authority for the abatement  
13 of abandoned vehicles in the previous fiscal year, the fee imposed  
14 pursuant to subdivision (a) shall be suspended for one year,  
15 commencing on July 1 following the Controller's determination  
16 pursuant to subdivision (e).

17 (c) Every service authority that imposes a fee authorized by  
18 subdivision (a) shall issue a fiscal yearend report to the Controller  
19 on or before October 31 of each year summarizing all of the  
20 following:

21 (1) The total revenues received by the service authority during  
22 the previous fiscal year.

23 (2) The total expenditures by the service authority during the  
24 previous fiscal year.

25 (3) The total number of vehicles abated during the previous  
26 fiscal year.

27 (4) The average cost per abatement during the previous fiscal  
28 year.

29 (5) Any additional, unexpended fee revenues for the service  
30 authority during the previous fiscal year.

31 (6) The number of notices to abate issued to vehicles during the  
32 previous fiscal year.

33 (7) The number of vehicles disposed of pursuant to an ordinance  
34 adopted pursuant to Section 22710 during the previous fiscal year.

35 (8) The total expenditures by the service authority for towing  
36 and storage of abandoned vehicles during the previous fiscal year.

37 (d) Each service authority that fails to submit the report required  
38 pursuant to subdivision (c) by October 31 of each year shall have  
39 its fee pursuant to subdivision (a) suspended for one year

commencing on July 1 following the Controller's determination pursuant to subdivision (e).

(e) On or before January 1 annually, the Controller shall review the fiscal yearend reports, submitted by each service authority pursuant to subdivision (c) and due no later than October 31, to determine if fee revenues are being utilized in a manner consistent with the service authority's approved program. If the Controller determines that the use of the fee revenues is not consistent with the service authority's program as approved by the Department of the California Highway Patrol, or that an excess of fee revenues exists, as specified in subdivision (b), the authority to collect the fee shall be suspended for one year pursuant to subdivision (b). If the Controller determines that a service authority has not submitted a fiscal yearend report as required in subdivision (c), the authorization to collect the service fee shall be suspended for one year pursuant to subdivisions (b) and (d). The Controller shall inform the Department of Motor Vehicles on or before January 1 annually, that the authority to collect the fee is suspended. A suspension shall only occur if the service authority has been in existence for at least two full fiscal years and the revenue fee surpluses are in excess of those allowed under this section, the use of the fee revenue is not consistent with the service authority's approved program, or the required fiscal yearend report has not been submitted by October 31.

(f) On or before January 1, 2010, and biennially thereafter, the service authority shall have a financial audit of the service authority conducted by a qualified independent third party.

(g) The fee imposed by a service authority shall remain in effect only for a period of 10 years from the date that the actual collection of the fee commenced unless the fee is extended pursuant to this subdivision. The fee may be extended in increments of up to 10 years each if the board of supervisors of the county, by a two-thirds vote, and a majority of the cities having a majority of the incorporated population within the county adopt resolutions providing for the extension of the fee.

~~SEC. 180.~~

*SEC. 177.* Section 9250.14 of the Vehicle Code is amended to read:

9250.14. (a) (1) In addition to any other fees specified in this code and the Revenue and Taxation Code, upon the adoption of a

1 resolution by any county board of supervisors, a fee of one dollar  
2 (\$1) shall be paid at the time of registration or renewal of  
3 registration of every vehicle, except vehicles described in  
4 subdivision (a) of Section 5014.1, registered to an address within  
5 that county except those expressly exempted from payment of  
6 registration fees. The fees, after deduction of the administrative  
7 costs incurred by the department in carrying out this section, shall  
8 be paid quarterly to the Controller.

9 (2) In addition to the one dollar (\$1) service fee, and upon the  
10 implementation of the permanent trailer identification plate  
11 program, and as part of the Commercial Vehicle Registration Act  
12 of 2001, all commercial motor vehicles subject to Section 9400.1  
13 registered to an owner with an address in the county that  
14 established a service authority under this section, shall pay an  
15 additional service fee of two dollars (\$2).

16 (b) Notwithstanding Section 13340 of the Government Code,  
17 the money paid to the Controller is continuously appropriated,  
18 without regard to fiscal years, for the administrative costs of the  
19 Controller, and for disbursement by the Controller to each county  
20 that has adopted a resolution pursuant to subdivision (a), based  
21 upon the number of vehicles registered, or whose registration is  
22 renewed, to an address within that county.

23 (c) Except as otherwise provided in this subdivision, money  
24 allocated to a county pursuant to subdivision (b) shall be expended  
25 exclusively to fund programs that enhance the capacity of local  
26 police and prosecutors to deter, investigate, and prosecute vehicle  
27 theft crimes. In any county with a population of 250,000 or less,  
28 the money shall be expended exclusively for those vehicle theft  
29 crime programs and for the prosecution of crimes involving driving  
30 while under the influence of alcohol or drugs, or both, in violation  
31 of Section 23152 or 23153, or vehicular manslaughter in violation  
32 of Section 191.5 or subdivision (c) of Section 192 of the Penal  
33 Code, or any combination of those crimes.

34 (d) Money collected pursuant to this section shall not be  
35 expended to offset a reduction in any other source of funds, nor  
36 for any purpose not authorized under this section.

37 (e) Any funds received by a county prior to January 1, 2000,  
38 pursuant to this section, that are not expended to deter, investigate,  
39 or prosecute crimes pursuant to subdivision (c) shall be returned  
40 to the Controller, for deposit in the Motor Vehicle Account in the



1 State Transportation Fund. Those funds received by a county shall  
2 be expended in accordance with this section.

3 (f) Each county that adopts a resolution under subdivision (a)  
4 shall submit, on or before the 13th day following the end of each  
5 quarter, a quarterly expenditure and activity report to the designated  
6 statewide Vehicle Theft Investigation and Apprehension  
7 Coordinator in the Department of the California Highway Patrol.

8 (g) A county that imposes a fee under subdivision (a) shall issue  
9 a fiscal year-end report to the Controller on or before August 31  
10 of each year. The report shall include a detailed accounting of the  
11 funds received and expended in the immediately preceding fiscal  
12 year, including, at a minimum, all of the following:

13 (1) The total revenues received by the county under subdivision  
14 (b) for the immediately preceding fiscal year.

15 (2) The total expenditures by the county under subdivision (c)  
16 for the immediately preceding fiscal year.

17 (3) Details of expenditures made by the county under  
18 subdivision (c), including salaries and expenses, purchase of  
19 equipment and supplies, and any other expenditures made listed  
20 by type with an explanatory comment.

21 (4) A summary of vehicle theft abatement activities and other  
22 vehicle theft programs funded by the fees collected under this  
23 section.

24 (5) The total number of stolen vehicles recovered and the value  
25 of those vehicles during the immediately preceding fiscal year.

26 (6) The total number of vehicles stolen during the immediately  
27 preceding fiscal year as compared to the fiscal year prior to the  
28 immediately preceding fiscal year.

29 (7) Any additional, unexpended fee revenues received under  
30 subdivision (b) for the county for the immediately preceding fiscal  
31 year.

32 (h) Each county that fails to submit the report required pursuant  
33 to subdivision (g) by November 30 of each year shall have the fee  
34 suspended by the Controller for one year, commencing on July 1  
35 following the Controller's determination that a county has failed  
36 to submit the report.

37 (i) (1) On or before January 1, 2006, and on or before January  
38 1 annually thereafter, the Controller shall provide to the Department  
39 of the California Highway Patrol copies of the yearend reports  
40 submitted by the counties under subdivision (g), and, in

1 consultation with the Department of the California Highway Patrol,  
2 shall review the fiscal yearend reports submitted by each county  
3 pursuant to subdivision (g) to determine if fee revenues are being  
4 utilized in a manner consistent with this section. If the Controller  
5 determines that the use of the fee revenues is not consistent with  
6 this section, the Controller shall consult with the participating  
7 counties' designated regional coordinators. If the Controller  
8 determines that the fee revenues are still not consistent with this  
9 section, the authority to collect the fee by that county shall be  
10 suspended for one year.

11 (2) If the Controller determines that a county has not submitted  
12 a fiscal yearend report as required in subdivision (g), the  
13 authorization to collect the service fee shall be suspended for one  
14 year pursuant to subdivision (h).

15 (3) When the Controller determines that a fee shall be suspended  
16 for a county, the Controller shall inform the Department of Motor  
17 Vehicles on or before January 1, 2006, and on or before January  
18 1 annually thereafter, that the authority to collect a fee for that  
19 county is suspended.

20 (j) The Department of the California Highway Patrol, in  
21 consultation with all participating county designated regional  
22 coordinators, shall review the effectiveness of reducing vehicle  
23 theft crimes that were funded by the fees imposed by this section.  
24 The Department of the California Highway Patrol shall provide a  
25 report based on that review and, on or before January 1, 2009,  
26 shall submit that report to the Legislature.

27 (k) For the purposes of this section, a county designated regional  
28 coordinator is that agency designated by the participating county's  
29 board of supervisors as the agency in control of its countywide  
30 vehicle theft apprehension program.

31 (l) This section shall remain in effect only until January 1, 2018,  
32 and as of that date is repealed, unless a later enacted statute that  
33 is enacted on or before January 1, 2018, deletes or extends that  
34 date.

35 ~~SEC. 181.~~

36 *SEC. 178.* Section 9250.19 of the Vehicle Code is amended to  
37 read:

38 9250.19. (a) (1) In addition to any other fees specified in this  
39 code and the Revenue and Taxation Code, upon the adoption of a  
40 resolution pursuant to this subdivision by any county board of

1 supervisors, a fee of one dollar (\$1) shall be paid at the time of  
2 registration, renewal, or supplemental application for apportioned  
3 registration pursuant to Article 4 (commencing with Section 8050)  
4 of Chapter 4 of every vehicle, except vehicles described in  
5 subdivision (a) of Section 5014.1, registered to an address within  
6 that county except those expressly exempted from payment of  
7 registration fees. The fees, after deduction of the administrative  
8 costs incurred by the department in carrying out this section, shall  
9 be paid quarterly to the Controller.

10 (2) In addition to the one-dollar (\$1) service fee, and upon the  
11 implementation of the permanent trailer identification plate  
12 program, and as part of the Commercial Vehicle Registration Act  
13 of 2001, all commercial motor vehicles subject to Section 9400.1  
14 registered to an owner with an address in the county that  
15 established a service authority under this section, shall pay an  
16 additional service fee of two dollars (\$2).

17 (3) A resolution adopted pursuant to paragraph (1) shall include  
18 findings as to the purpose of, and the need for, imposing the  
19 additional registration fee.

20 (b) Notwithstanding Section 13340 of the Government Code,  
21 the money paid to the Controller pursuant to subdivision (a) is  
22 continuously appropriated, without regard to fiscal years, for  
23 disbursement by the Controller to each county that has adopted a  
24 resolution pursuant to subdivision (a), based upon the number of  
25 vehicles registered, or whose registration is renewed, to an address  
26 within that county, or supplemental application for apportioned  
27 registration, and for the administrative costs of the Controller  
28 incurred under this section.

29 (c) Money allocated to a county pursuant to subdivision (b)  
30 shall be expended exclusively to fund programs that enhance the  
31 capacity of local law enforcement to provide automated mobile  
32 and fixed location fingerprint identification of individuals who  
33 may be involved in driving under the influence of alcohol or drugs  
34 in violation of Section 23152 or 23153, or vehicular manslaughter  
35 in violation of Section 191.5 of the Penal Code or subdivision (c)  
36 of Section 192 of the Penal Code, or any combination of those and  
37 other vehicle-related crimes, and other crimes committed while  
38 operating a motor vehicle.

39 (d) The data from a program funded pursuant to subdivision (c)  
40 shall be made available by the local law enforcement agency to a

1 local public agency that is required by law to obtain a criminal  
2 history background of persons as a condition of employment with  
3 that local public agency. A local law enforcement agency that  
4 provides the data may charge a fee to cover its actual costs in  
5 providing that data.

6 (e) (1) Money collected pursuant to this section shall not be  
7 used to offset a reduction in any other source of funds for the  
8 purposes authorized under this section.

9 (2) Funds collected pursuant to this section, upon  
10 recommendation of local or regional Remote Access Network  
11 Boards to the board of supervisors, shall be used exclusively for  
12 the purchase, by competitive bidding procedures, and the operation  
13 of equipment that is compatible with the Department of Justice's  
14 Cal-ID master plan, as described in Section 11112.2 of the Penal  
15 Code, and the equipment shall interface in a manner that is in  
16 compliance with the requirement described in the Criminal Justice  
17 Information Services, Electronic Fingerprint Transmission  
18 Specification, prepared by the Federal Bureau of Investigation and  
19 dated August 24, 1995.

20 (f) Every county that has authorized the collection of the fee  
21 pursuant to subdivision (a) shall issue a fiscal yearend report to  
22 the Controller on or before November 1 of each year, summarizing  
23 all of the following with respect to those fees:

24 (1) The total revenues received by the county for the fiscal year.

25 (2) The total expenditures and encumbered funds by the county  
26 for the fiscal year. For purposes of this subdivision, "encumbered  
27 funds" means funding that is scheduled to be spent pursuant to a  
28 determined schedule and for an identified purchase consistent with  
29 this section.

30 (3) Any unexpended or unencumbered fee revenues for the  
31 county for the fiscal year.

32 (4) The estimated annual cost of the purchase, operation, and  
33 maintenance of automated mobile and fixed location fingerprint  
34 equipment, related infrastructure, law enforcement enhancement  
35 programs, and personnel created or utilized in accordance with  
36 this section for the fiscal year. The listing shall detail the make  
37 and model number of the equipment, and include a succinct  
38 description of the related infrastructure items, law enforcement  
39 enhancement programs, and the classification or title of any  
40 personnel.

1 (5) How the use of the funds benefits the motoring public.

2 (g) For each county that fails to submit the report required  
3 pursuant to subdivision (f) by November 1 of each year, the  
4 Controller shall notify the Department of Motor Vehicles to  
5 suspend the fee for that county imposed pursuant to subdivision  
6 (a) for one year.

7 (h) If any funds received by a county pursuant to subdivision  
8 (a) are not expended or encumbered in accordance with this section  
9 by the close of the fiscal year in which the funds were received,  
10 the Controller shall notify the Department of Motor Vehicles to  
11 suspend the fee for that county imposed pursuant to subdivision  
12 (a) for one year. For purposes of this subdivision, “encumbered  
13 funds” means funding that is scheduled to be spent pursuant to a  
14 determined schedule and for an identified purchase consistent with  
15 this section.

16 ~~SEC. 182.~~

17 *SEC. 179.* Section 138.9 of the Water Code is repealed.

18 ~~SEC. 183.~~

19 *SEC. 180.* Section 162 of the Water Code is amended to read:

20 162. It is the intention of the Legislature that in the making of  
21 all major departmental determinations, policies and procedures,  
22 such as departmental recommendations to the Legislature, the  
23 director and the California Water Commission shall be in  
24 agreement whenever possible; but for the purpose of fixing  
25 responsibility to the Governor and to the Legislature, in the event  
26 of disagreement between the director and the commission upon  
27 such matters, the views of the director shall prevail.

28 ~~SEC. 184.~~

29 *SEC. 181.* Section 1228.2 of the Water Code is amended to  
30 read:

31 1228.2. (a) (1) Subject to subdivision (b), any person may  
32 obtain a right to appropriate water for a small domestic, small  
33 irrigation, or livestock stockpond use upon first registering the use  
34 with the board and thereafter applying the water to reasonable and  
35 beneficial use with due diligence.

36 (2) With regard to an appropriation for small domestic use, a  
37 registration shall not be filed for a facility served by or used  
38 pursuant to a permit or license for domestic or municipal use, and  
39 not more than one small domestic use registration shall be in effect  
40 at any time for any facility.

1 (3) With regard to an appropriation for small irrigation use,  
2 more than one registration may be in effect at any time for a  
3 registrant if the diversion or storage facilities subject to registration  
4 for a registrant do not exceed the ratio of one per 20 irrigated acres,  
5 and if the total water use on all acreage covered by the registrations,  
6 including any water use based on other rights, does not exceed  
7 100 acre-feet per annum.

8 (4) A small domestic use registration and a small irrigation use  
9 registration may be in effect for the same facility only if the total  
10 combined water use covered by the registrations does not exceed  
11 20 acre-feet per annum.

12 (5) With regard to an appropriation for livestock stockpond use,  
13 more than one registration may be in effect at any time for a  
14 registrant if stockponds subject to registration for that registrant  
15 do not exceed the ratio of one per 50 acres.

16 (b) Initiation of rights to appropriate water pursuant to this article  
17 shall be subject to Article 1.3 (commencing with Section 1205),  
18 relating to fully appropriated stream systems. The board shall not  
19 accept any registration of water use which proposes as a source of  
20 water supply any stream system which has been unconditionally  
21 declared by the board to be fully appropriated pursuant to Section  
22 1205, except that subdivision (b) of Section 1206, relating to  
23 conditional declarations of fully appropriated stream systems, shall  
24 apply to registration of water use pursuant to this article, and the  
25 board shall accept those registrations where consistent with the  
26 conditions specified in any such declaration.

27 (c) On or before June 30, 1989, and annually thereafter, the  
28 Division of Water Rights shall prepare and post on its Internet  
29 Web site information summarizing the location, nature, and amount  
30 of water appropriated pursuant to this article. The information shall  
31 include a description of the availability of unappropriated water  
32 in those stream systems which may become fully appropriated  
33 within the next reporting period.

34 (d) If a registration is filed with a source of supply on a stream  
35 system that the most recent report submitted under subdivision (c)  
36 identifies as a stream system that may become fully appropriated  
37 within the next reporting period, the registration shall not take  
38 effect unless the board finds that unappropriated water is available  
39 for the appropriation proposed by the registration. If the board  
40 finds that unappropriated water is not available to supply the

1 proposed appropriation, the board shall, following notice and  
2 hearing, determine whether that stream system should be declared  
3 fully appropriated pursuant to Article 1.3 (commencing with  
4 Section 1205).

5 ~~SEC. 185.~~

6 *SEC. 182.* Section 13369 of the Water Code is amended to  
7 read:

8 13369. (a) The state board, in consultation with the regional  
9 boards, the California Coastal Commission, and other appropriate  
10 state agencies and advisory groups, as necessary, shall prepare a  
11 detailed program for the purpose of implementing the state's  
12 nonpoint source management plan. The board shall address all  
13 applicable provisions of the Clean Water Act, including Section  
14 319 (33 U.S.C. Sec. 1329), as well as Section 6217 of the federal  
15 Coastal Zone Act Reauthorization Amendments of 1990 (16 U.S.C.  
16 Sec. 1455b), and this division in the preparation of this detailed  
17 implementation program.

18 (b) (1) The program shall include all of the following  
19 components:

20 (A) Nonregulatory implementation of best management  
21 practices.

22 (B) Regulatory-based incentives for best management practices.

23 (C) The adoption and enforcement of waste discharge  
24 requirements that will require the implementation of best  
25 management practices.

26 (2) In connection with its duties under this subdivision to prepare  
27 and implement the state's nonpoint source management plan, the  
28 state board shall develop, on or before February 1, 2001, guidance  
29 to be used by the state board and the regional boards for the  
30 purpose of describing the process by which the state board and the  
31 regional boards will enforce the state's nonpoint source  
32 management plan, pursuant to this division.

33 ~~SEC. 186.~~

34 *SEC. 183.* Section 13396.9 of the Water Code is amended to  
35 read:

36 13396.9. (a) The California Coastal Commission and the Los  
37 Angeles Regional Water Quality Control Board shall establish and  
38 participate in the multiagency Los Angeles Basin Contaminated  
39 Sediments Task Force, in cooperation with all interested parties,  
40 including, but not limited to, the United States Environmental

1 Protection Agency, the United States Army Corps of Engineers,  
2 the Port of Long Beach, and the Port of Los Angeles.

3 (b) (1) On or before January 1, 2005, the California Coastal  
4 Commission shall, based upon the recommendations of the task  
5 force, develop a long-term management plan for the dredging and  
6 disposal of contaminated sediments in the coastal waters adjacent  
7 to the County of Los Angeles. The plan shall include identifiable  
8 goals for the purpose of minimizing impacts to water quality, fish,  
9 and wildlife through the management of sediments. The plan shall  
10 include measures to identify environmentally preferable, practicable  
11 disposal alternatives, promote multiuse disposal facilities and  
12 beneficial reuse, and support efforts for watershed management  
13 to control contaminants at their source.

14 (2) The California Coastal Commission and the Los Angeles  
15 Regional Water Quality Control Board shall seek to enter into an  
16 agreement with the United States Environmental Protection Agency  
17 and the United States Army Corps of Engineers for those federal  
18 agencies to participate in the preparation of the long-term  
19 management plan.

20 (c) The California Coastal Commission and the Los Angeles  
21 Regional Water Quality Control Board, in cooperation with the  
22 task force, shall conduct not less than one annual public workshop  
23 to review the status of the plan and to promote public participation.

24 ~~SEC. 187.~~

25 *SEC. 184.* Section 78684.13 of the Water Code is repealed.

26 ~~SEC. 188.~~

27 *SEC. 185.* Section 79083 of the Water Code is amended to  
28 read:

29 79083. A grant recipient shall submit to the board a report upon  
30 the completion of the project or activity funded under this article.  
31 The report shall summarize the completed project and identify  
32 additional steps necessary to achieve the purposes of the local  
33 watershed management plan. The board shall make the report  
34 available to interested federal, state, and local agencies and other  
35 interested parties.

36 ~~SEC. 189.~~

37 *SEC. 186.* Section 79555 of the Water Code is amended to  
38 read:

39 79555. For the 2004–05 fiscal year, and each fiscal year  
40 thereafter, not less than 50 percent of the funds made available



1 pursuant to subdivision (d) of Section 79550 for acquisition of  
2 water for the CALFED environmental water account shall be  
3 expended for long-term water purchase contracts, permanent water  
4 rights, and associated costs.

5 *SEC. 187. Chapter 4 (commencing with Section 80250) of*  
6 *Division 27 of the Water Code is repealed.*

7 ~~SEC. 190.~~

8 *SEC. 188.* Section 1760.8 of the Welfare and Institutions Code  
9 is amended to read:

10 1760.8. (a) The Department of the Youth Authority shall  
11 annually develop a population management and facilities master  
12 plan presenting projected population and strategies for treatment  
13 and housing of wards for the succeeding five-year period. This  
14 plan shall set forth the department's strategy for bridging the gap  
15 between available bedspace and the projected ward population.

16 (b) The Department of the Youth Authority may contract with  
17 the Department of Corrections or the Office of Project  
18 Development and Management within the Department of General  
19 Services for professional and construction services related to the  
20 construction of facilities or renovation projects included in the  
21 Department of the Youth Authority's 1994–99 master plan for  
22 which funds are appropriated by the Legislature. The Department  
23 of the Youth Authority shall be responsible for program planning  
24 and all design decisions. The Department of Corrections or the  
25 Department of General Services shall, in consultation with the  
26 Department of the Youth Authority, ensure that all facilities are  
27 designed and constructed specifically for the needs of the youthful  
28 offender population. The Department of the Youth Authority also  
29 shall ensure that the design and construction of any facilities are  
30 consistent with the mission of the Department of the Youth  
31 Authority, which emphasizes the protection of the public from  
32 criminal activity and the rehabilitation of youthful offenders by  
33 providing education, training, and treatment services for those  
34 offenders committed by the courts. Any power, function, or  
35 jurisdiction for planning, design, and construction of facilities or  
36 renovation projects pursuant to the 1994–99 master plan that is  
37 conferred upon the Department of General Services shall be  
38 deemed to be conferred upon the Department of Corrections for  
39 purposes of this section. The Director of the Department of General  
40 Services may, upon the request of the Director of the Department

1 of Corrections, delegate to the Department of Corrections any  
2 power, function, or jurisdiction for planning, design, and  
3 construction of any additional projects included within subsequent  
4 Department of the Youth Authority master plans.

5 ~~SEC. 191.~~

6 *SEC. 189.* Section 4024 of the Welfare and Institutions Code  
7 is amended to read:

8 4024. The State Department of State Hospitals proposed  
9 allocations for level-of-care staffing in state hospitals that serve  
10 persons with mental disabilities shall be submitted to the  
11 Department of Finance for review and approval in July and again  
12 on a quarterly basis. Each quarterly report shall include an analysis  
13 of client characteristics of admissions and discharges in addition  
14 to information on any changes in characteristics of current  
15 residents.

16 The State Department of State Hospitals shall submit by January  
17 1 and May 1 to the Department of Finance for its approval: (a) all  
18 assumptions underlying estimates of state hospital mentally  
19 disabled population; and (b) a comparison of the actual and  
20 estimated population levels for the year to date. If the actual  
21 population differs from the estimated population by 50 or more,  
22 the department shall include in its reports an analysis of the causes  
23 of the change and the fiscal impact. The Department of Finance  
24 shall approve or modify the assumptions underlying all population  
25 estimates within 15 working days of their submission. If the  
26 Department of Finance does not approve or modify the assumptions  
27 by that date, the assumptions, as presented by the submitting  
28 department, shall be deemed to be accepted by the Department of  
29 Finance as of that date.

30 ~~SEC. 192.~~

31 *SEC. 190.* Section 6601 of the Welfare and Institutions Code,  
32 as amended by Section 139 of Chapter 24 of the Statutes of 2012,  
33 is amended to read:

34 6601. (a) (1) Whenever the Secretary of the Department of  
35 Corrections and Rehabilitation determines that an individual who  
36 is in custody under the jurisdiction of the Department of  
37 Corrections and Rehabilitation, and who is either serving a  
38 determinate prison sentence or whose parole has been revoked,  
39 may be a sexually violent predator, the secretary shall, at least six  
40 months prior to that individual's scheduled date for release from

1 prison, refer the person for evaluation in accordance with this  
2 section. However, if the inmate was received by the department  
3 with less than nine months of his or her sentence to serve, or if the  
4 inmate's release date is modified by judicial or administrative  
5 action, the secretary may refer the person for evaluation in  
6 accordance with this section at a date that is less than six months  
7 prior to the inmate's scheduled release date.

8 (2) A petition may be filed under this section if the individual  
9 was in custody pursuant to his or her determinate prison term,  
10 parole revocation term, or a hold placed pursuant to Section 6601.3,  
11 at the time the petition is filed. A petition shall not be dismissed  
12 on the basis of a later judicial or administrative determination that  
13 the individual's custody was unlawful, if the unlawful custody was  
14 the result of a good faith mistake of fact or law. This paragraph  
15 shall apply to any petition filed on or after January 1, 1996.

16 (b) The person shall be screened by the Department of  
17 Corrections and Rehabilitation and the Board of Parole Hearings  
18 based on whether the person has committed a sexually violent  
19 predatory offense and on a review of the person's social, criminal,  
20 and institutional history. This screening shall be conducted in  
21 accordance with a structured screening instrument developed and  
22 updated by the State Department of State Hospitals in consultation  
23 with the Department of Corrections and Rehabilitation. If as a  
24 result of this screening it is determined that the person is likely to  
25 be a sexually violent predator, the Department of Corrections and  
26 Rehabilitation shall refer the person to the State Department of  
27 State Hospitals for a full evaluation of whether the person meets  
28 the criteria in Section 6600.

29 (c) The State Department of State Hospitals shall evaluate the  
30 person in accordance with a standardized assessment protocol,  
31 developed and updated by the State Department of State Hospitals,  
32 to determine whether the person is a sexually violent predator as  
33 defined in this article. The standardized assessment protocol shall  
34 require assessment of diagnosable mental disorders, as well as  
35 various factors known to be associated with the risk of reoffense  
36 among sex offenders. Risk factors to be considered shall include  
37 criminal and psychosexual history, type, degree, and duration of  
38 sexual deviance, and severity of mental disorder.

39 (d) Pursuant to subdivision (c), the person shall be evaluated  
40 by two practicing psychiatrists or psychologists, or one practicing

1 psychiatrist and one practicing psychologist, designated by the  
2 Director of State Hospitals, one or both of whom may be  
3 independent professionals as defined in subdivision (g). If both  
4 evaluators concur that the person has a diagnosed mental disorder  
5 so that he or she is likely to engage in acts of sexual violence  
6 without appropriate treatment and custody, the Director of State  
7 Hospitals shall forward a request for a petition for commitment  
8 under Section 6602 to the county designated in subdivision (i).  
9 Copies of the evaluation reports and any other supporting  
10 documents shall be made available to the attorney designated by  
11 the county pursuant to subdivision (i) who may file a petition for  
12 commitment.

13 (e) If one of the professionals performing the evaluation pursuant  
14 to subdivision (d) does not concur that the person meets the criteria  
15 specified in subdivision (d), but the other professional concludes  
16 that the person meets those criteria, the Director of State Hospitals  
17 shall arrange for further examination of the person by two  
18 independent professionals selected in accordance with subdivision  
19 (g).

20 (f) If an examination by independent professionals pursuant to  
21 subdivision (e) is conducted, a petition to request commitment  
22 under this article shall only be filed if both independent  
23 professionals who evaluate the person pursuant to subdivision (e)  
24 concur that the person meets the criteria for commitment specified  
25 in subdivision (d). The professionals selected to evaluate the person  
26 pursuant to subdivision (g) shall inform the person that the purpose  
27 of their examination is not treatment but to determine if the person  
28 meets certain criteria to be involuntarily committed pursuant to  
29 this article. It is not required that the person appreciate or  
30 understand that information.

31 (g) Any independent professional who is designated by the  
32 Secretary of the Department of Corrections and Rehabilitation or  
33 the Director of State Hospitals for purposes of this section shall  
34 not be a state government employee, shall have at least five years  
35 of experience in the diagnosis and treatment of mental disorders,  
36 and shall include psychiatrists and licensed psychologists who  
37 have a doctoral degree in psychology. The requirements set forth  
38 in this section also shall apply to any professionals appointed by  
39 the court to evaluate the person for purposes of any other  
40 proceedings under this article.

1 (h) If the State Department of State Hospitals determines that  
2 the person is a sexually violent predator as defined in this article,  
3 the Director of State Hospitals shall forward a request for a petition  
4 to be filed for commitment under this article to the county  
5 designated in subdivision (i). Copies of the evaluation reports and  
6 any other supporting documents shall be made available to the  
7 attorney designated by the county pursuant to subdivision (i) who  
8 may file a petition for commitment in the superior court.

9 (i) If the county's designated counsel concurs with the  
10 recommendation, a petition for commitment shall be filed in the  
11 superior court of the county in which the person was convicted of  
12 the offense for which he or she was committed to the jurisdiction  
13 of the Department of Corrections and Rehabilitation. The petition  
14 shall be filed, and the proceedings shall be handled, by either the  
15 district attorney or the county counsel of that county. The county  
16 board of supervisors shall designate either the district attorney or  
17 the county counsel to assume responsibility for proceedings under  
18 this article.

19 (j) The time limits set forth in this section shall not apply during  
20 the first year that this article is operative.

21 (k) An order issued by a judge pursuant to Section 6601.5,  
22 finding that the petition, on its face, supports a finding of probable  
23 cause to believe that the individual named in the petition is likely  
24 to engage in sexually violent predatory criminal behavior upon his  
25 or her release, shall toll that person's parole pursuant to paragraph  
26 (4) of subdivision (a) of Section 3000 of the Penal Code, if that  
27 individual is determined to be a sexually violent predator.

28 (l) Pursuant to subdivision (d), the attorney designated by the  
29 county pursuant to subdivision (i) shall notify the State Department  
30 of State Hospitals of its decision regarding the filing of a petition  
31 for commitment within 15 days of making that decision.

32 (m) (1) On or before January 2, 2010, the department shall  
33 report to the Legislature on all of the following:

34 (A) The costs to the department for the sexual offender  
35 commitment program attributable to the provisions in Proposition  
36 83 of the November 2006 general election, otherwise known as  
37 Jessica's Law.

38 (B) The number and proportion of inmates evaluated by the  
39 department for commitment to the program as a result of the  
40 expanded evaluation and commitment criteria in Jessica's Law.

1 (C) The number and proportion of those inmates who have  
2 actually been committed for treatment in the program.

3 (2) This section shall remain in effect and be repealed on the  
4 date that the director executes a declaration, which shall be  
5 provided to the fiscal and policy committees of the Legislature,  
6 including the Chairperson of the Joint Legislative Budget  
7 Committee, and the Department of Finance, specifying that  
8 sufficient qualified state employees have been hired to conduct  
9 the evaluations required pursuant to subdivision (d), or January 1,  
10 2013, whichever occurs first.

11 ~~SEC. 193.~~

12 *SEC. 191.* Section 10605.2 of the Welfare and Institutions  
13 Code is amended to read:

14 10605.2. If the director believes that a county probation  
15 department is substantially failing to comply with any provision  
16 of this code or any regulation pertaining to the placement activities  
17 required to be performed by the probation department to ensure  
18 that the needs of wards in placements whose board and care is  
19 funded through the Aid to Families with Dependent Children-Foster  
20 Care program are met, and the director determines that formal  
21 action may be necessary to secure compliance, he or she shall  
22 inform the chief probation officer, the presiding judge of the  
23 juvenile court, and the board of supervisors of that failure. The  
24 notice to the chief probation officer, the presiding judge of the  
25 juvenile court, and board of supervisors shall be in writing and  
26 shall allow the county probation department a specified period of  
27 time, not less than 30 days, to correct its failure to comply with  
28 the law or regulations. If within the specified period the county  
29 probation department does not comply or provide reasonable  
30 assurances in writing that it will comply within the additional time  
31 as the director may allow, the director may take one or both of the  
32 following actions:

33 (a) Bring an action for injunctive relief to secure immediate  
34 compliance.

35 Any county probation department that is found to be failing in  
36 a substantial manner to comply with the law or regulations  
37 pertaining to placement activities required to be performed by the  
38 probation department to ensure that the needs of wards in  
39 placement whose board and care is funded through the Aid to  
40 Families with Dependent Children-Foster Care program are met,

1 may be enjoined by any court of competent jurisdiction. The court  
2 may make orders or judgments as may be necessary to secure  
3 county probation department compliance.

4 (b) Order the county probation department to appear at a hearing  
5 before the director to show cause why the director should not take  
6 administrative action to secure compliance. The hearing shall be  
7 conducted pursuant to the rules and regulations of the department.

8 If the director determines, based on the record established at the  
9 hearing, that the county probation department is failing to comply  
10 with the provisions of this code or the regulations pertaining to  
11 the placement activities required to be performed by the probation  
12 department to ensure that the needs of wards in placement funded  
13 through the Aid to Families with Dependent Children-Foster Care  
14 program are met, or if the State Personnel Board certifies to the  
15 director that a county probation department is not in conformity  
16 with established merit system standards under Part 2.5  
17 (commencing with Section 19800) of Division 5 of Title 2 of the  
18 Government Code, and that administrative sanctions are necessary  
19 to secure compliance, the director may invoke either of the  
20 following sanctions:

21 (1) Withhold all or part of state and federal funds from the  
22 county probation department until the county probation department  
23 demonstrates to the director that it has complied.

24 (2) Assume, temporarily, direct responsibility for fulfilling the  
25 placement activities required by law and regulations to ensure that  
26 the needs of the wards in placement funded through the Aid to  
27 Families with Dependent Children-Foster Care program are met,  
28 until the time as the county probation department provides  
29 reasonable assurances to the director of its intention and ability to  
30 comply. During the period of direct state administrative  
31 responsibility, the director or his or her authorized representative  
32 shall have all of the powers and responsibilities of the chief  
33 probation officer with regard to placement requirements for wards  
34 whose board and care is funded through the Aid to Families with  
35 Dependent Children-Foster Care program, except that he or she  
36 shall not be subject to the authority of the board of supervisors.

37 In the event that the director invokes sanctions pursuant to this  
38 section, the county probation department shall be responsible for  
39 providing any funds as may be necessary for the continued  
40 fulfillment of placement activities as required by law and regulation

1 for the placement of wards whose board and care is funded through  
2 the Aid to Families with Dependent Children-Foster Care program  
3 administered on behalf of the department in the county probation  
4 department. If a county probation department fails or refuses to  
5 provide these funds, including a sufficient amount to reimburse  
6 any and all costs incurred by the department in performing the  
7 activities required for the placement of wards whose board and  
8 care is funded through the Aid to Families with Dependent  
9 Children-Foster Care program in the county probation department,  
10 the Controller may deduct an amount certified by the director as  
11 necessary for the continued operation of these programs by the  
12 department from any state or federal funds payable to the county  
13 probation department for any purpose.

14 Nothing in this section shall be construed as preventing a county  
15 probation department from seeking judicial review under Section  
16 1094.5 of the Code of Civil Procedure of any final decision of the  
17 director made after a hearing conducted under this section. This  
18 review shall be the exclusive remedy available to the county  
19 probation department for review of the director's decision.

20 Nothing in this section shall be construed as preventing the  
21 director from bringing an action for writ of mandamus or any other  
22 action in court as may be appropriate to ensure that there is no  
23 interruption in the provision of benefits to any person eligible  
24 therefor under the provisions of this code or the regulations of the  
25 department.

26 ~~SEC. 194.~~

27 *SEC. 192.* Section 10614.5 of the Welfare and Institutions  
28 Code is amended to read:

29 10614.5. Upon the request of the Joint Legislative Budget  
30 Committee, the Department of Finance shall post on its Internet  
31 Web site data on monthly caseloads and expenditures for public  
32 social services programs supervised by the State Department of  
33 Social Services. In addition, this data shall be incorporated into  
34 and made an integral part of the budget data system.

35 ~~SEC. 195.~~

36 *SEC. 193.* Section 10791 of the Welfare and Institutions Code  
37 is amended to read:

38 10791. The demonstration program provided for in Section  
39 10790 shall, at a minimum, include the following elements:



1 (a) Uniform 30 percent disregard from gross earned income and  
2 waiver of the 100-hour limit on employment for  
3 AFDC-Unemployed recipient eligibility.

4 (b) Uniform definition of allowable child care disregards for  
5 full- or part-time care.

6 (c) It shall not be presumed that any transfer of property made  
7 within three months prior to the time the application was made for  
8 purposes of becoming eligible for CalFresh.

9 (d) Exemption of personal loans as property where a reasonable  
10 repayment plan is in place. A reasonable repayment plan shall be  
11 defined as a statement from the lender specifying that the money  
12 shall be paid back at a future point in time when the individual is  
13 able to do so.

14 (e) Use of standard shelter allowances based on local housing  
15 prices without verification in lieu of verified shelter costs.

16 (f) Exclusion from income financial aid and work study  
17 payments that are computed based on need consistent with Section  
18 11008.10.

19 (g) Application of good cause determinations related to late  
20 submission of monthly income reports for CalFresh recipients who  
21 also receive AFDC benefits.

22 (h) Qualification as categorically eligible for CalFresh any  
23 individual who is apparently eligible for or has been granted AFDC  
24 benefits.

25 (i) Disregarding as income, for CalFresh, the first fifty dollars  
26 (\$50) of child support received, as currently provided for under  
27 the AFDC program, to the extent federal funding is available.

28 (j) Uniform treatment of room and board income, consistent  
29 with AFDC program regulations.

30 (k) Requirement for signatures on monthly income reports,  
31 consistent with AFDC program regulations.

32 (l) Standard deduction for expenses related to self-employment  
33 income.

34 (m) Both programs shall exempt one motor vehicle from  
35 property to be considered in determining eligibility.

36 (n) Both programs shall compute the value of any motor vehicle  
37 not exempt from consideration in determining eligibility by  
38 subtracting the amount of encumbrances from the fair market  
39 value. If an applicant, a recipient, or a county does not agree with  
40 the value of a vehicle arrived at through this methodology, the

1 applicant or recipient shall be entitled to the use of either of the  
2 following methods for evaluating the motor vehicle:

3 (1) Submit three appraisals. An appraisal may be made under  
4 this paragraph by a car dealer, insurance adjuster, or a personal  
5 property appraiser. The average of the three independent appraisals  
6 shall be used by the county in evaluating the motor vehicle.

7 (2) Obtain an appraisal from a county-appointed appraiser.

8 (o) Adoption of an exclusion from income for both the AFDC  
9 and CalFresh programs of one hundred dollars (\$100) per quarter,  
10 in lieu of the AFDC nonrecurring gift exclusion and the federal  
11 Supplemental Nutrition Assistance Program irregular or infrequent  
12 income exclusion.

13 (p) Standardization of county retention percentages for collection  
14 of erroneous payments.

15 (q) Upon receipt of federal approval of this demonstration  
16 project the department, in consultation with the Department of  
17 Finance, may delay implementation of any elements determined  
18 to be not cost effective until funds are appropriated by the  
19 Legislature.

20 ~~SEC. 196.~~

21 *SEC. 194.* Section 11265.5 of the Welfare and Institutions  
22 Code is amended to read:

23 11265.5. (a) (1) The department may, subject to the  
24 requirements of federal regulations and Section 18204, conduct  
25 three pilot projects, to be located in the Counties of Los Angeles,  
26 Merced, and Santa Clara, upon approval of the department and the  
27 participating counties. The pilot projects shall test the reporting  
28 systems described in subparagraphs (A), (B), and (C) of paragraph  
29 (4).

30 (2) (A) The pilot project conducted in Los Angeles County  
31 shall test one or both reporting systems described in subparagraphs  
32 (A) and (B) of paragraph (4). The pilot project population for each  
33 test shall be limited to 10,000 cases.

34 (B) The pilot projects in the other counties shall test one of the  
35 reporting systems described in subparagraph (A) or (C) of  
36 paragraph (4) and shall be limited to 2,000 cases per project.

37 (3) (A) The pilot projects shall be designed and conducted  
38 according to standard scientific principles, and shall be in effect  
39 for a period of 24 months.

1 (B) The projects may be extended an additional year upon the  
2 approval of the department.

3 (C) The projects shall be designed to compare the monthly  
4 reporting system with alternatives described in paragraph (4) as  
5 to all of the following phenomena:

6 (i) Administrative savings resulting from reduced worker time  
7 spent in reviewing monthly reports.

8 (ii) The amount of cash assistance paid to families.

9 (iii) The rate of administrative errors in cases and payments.

10 (iv) The incidence of underpayments and overpayments and the  
11 costs to recipients and the administering agencies of making  
12 corrective payments and collecting overpayments.

13 (v) Rates at which recipients lose eligibility for brief periods  
14 due to failure to submit a monthly report but file new applications  
15 for aid and thereafter are returned to eligible status.

16 (vi) Cumulative benefits and costs to each level of government  
17 and to aid recipients resulting from each reporting system.

18 (vii) The incidence of, and ability to, prosecute fraud.

19 (viii) Ease of use by clients.

20 (ix) Case errors and potential sanction costs associated with  
21 those errors.

22 (4) The pilot projects shall adopt reporting systems providing  
23 for one or more of the following:

24 (A) A reporting system that requires families with no income  
25 or whose only income is comprised of old age, survivors, or  
26 disability insurance benefits administered pursuant to Subchapter  
27 2 (commencing with Section 401) of Chapter 7 of Title 42 of the  
28 United States Code, and with no recent work history to report  
29 changes in circumstances that affect eligibility and grant amount  
30 as changes occur. These changes shall be reported directly to the  
31 county welfare department in person, in writing, or by telephone.  
32 In all cases in which monthly reporting is not required, a form  
33 advising recipients of what changes must be reported, and how  
34 they may be reported shall be provided to recipients of aid along  
35 with benefit payments each month.

36 (B) A reporting system that permits families with no income or  
37 whose only income is comprised of old age, survivors, or disability  
38 insurance benefits administered pursuant to Subchapter 2  
39 (commencing with Section 401) of Chapter 7 of Title 42 of the  
40 United States Code, and with no changes in eligibility criteria, to

1 report electronically monthly, using either an audio response or  
2 the CalFresh online issuance and recording system, or a  
3 combination of both. Adequate instruction and training shall be  
4 provided to county welfare department staff and to recipients who  
5 choose to use this system prior to its implementation.

6 (C) A reporting system that requires all families to report  
7 changes in circumstances that affect eligibility and grant amount  
8 as changes occur. The changes shall be reported directly to the  
9 county welfare department in person, in writing, or by telephone.  
10 In all cases in which monthly reporting is not required, a form  
11 advising recipients of what changes must be reported, and how  
12 they may be reported, shall be provided to recipients of aid along  
13 with benefit payments each month.

14 (b) (1) The participating counties shall be responsible for  
15 preparing federal demonstration project proposals, to be submitted  
16 by the department, upon the department's review and approval of  
17 the proposals, to the federal agency on the counties' behalf. The  
18 development, operation, and evaluation of the pilot projects shall  
19 not result in an increase in the state allocation of county  
20 administrative funds.

21 (1.5) Each pilot county shall prepare and submit quarterly  
22 reports, annual reports, and a final report to the department.

23 (2) Each quarterly report shall be submitted no later than 30  
24 calendar days after the end of the quarter.

25 (3) Each annual report shall be submitted no later than 45 days  
26 after the end of the year.

27 (4) (A) Each pilot county shall submit a final report not later  
28 than 90 days following completion of the pilot projects required  
29 by this section.

30 (B) (i) As part of the final report, the pilot counties shall prepare  
31 and submit evaluations of the pilot projects to the department.

32 (ii) Each evaluation shall include, but not be limited to, an  
33 analysis of the factors set forth in paragraph (3) of subdivision (a)  
34 compared to each other and the current reporting systems in both  
35 the AFDC program and CalFresh. The final evaluations shall be  
36 prepared by an independent consultant or consultants contracted  
37 with for that purpose prior to the commencement of the projects.

38 (c) The department may terminate any or all of the pilot projects  
39 implemented pursuant to this section after a period of six months  
40 of operation if one or more of the pilot counties submits data to

1 the department, or information is otherwise received, indicating  
2 that the pilot project or projects are not cost-effective or adversely  
3 impact recipients or county or state operations based on the factors  
4 set forth in subparagraph (C) of paragraph (3) of subdivision (a).

5 (d) The pilot projects shall be implemented only upon receipt  
6 of the appropriate federal waivers.

7 *SEC. 195. Section 11462 of the Welfare and Institutions Code*  
8 *is amended to read:*

9 11462. (a) (1) Effective July 1, 1990, foster care providers  
10 licensed as group homes, as defined in departmental regulations,  
11 including public child care institutions, as defined in Section  
12 11402.5, shall have rates established by classifying each group  
13 home program and applying the standardized schedule of rates.  
14 The department shall collect information from group providers  
15 beginning January 1, 1990, in order to classify each group home  
16 program.

17 (2) Notwithstanding paragraph (1), foster care providers licensed  
18 as group homes shall have rates established only if the group home  
19 is organized and operated on a nonprofit basis as required under  
20 subdivision (h) of Section 11400. The department shall terminate  
21 the rate effective January 1, 1993, of any group home not organized  
22 and operated on a nonprofit basis as required under subdivision  
23 (h) of Section 11400.

24 (3) (A) The department shall determine, consistent with the  
25 requirements of this chapter and other relevant requirements under  
26 law, the rate classification level (RCL) for each group home  
27 program on a biennial basis. Submission of the biennial rate  
28 application shall be made according to a schedule determined by  
29 the department.

30 (B) The department shall adopt regulations to implement this  
31 paragraph. The adoption, amendment, repeal, or readoption of a  
32 regulation authorized by this paragraph is deemed to be necessary  
33 for the immediate preservation of the public peace, health and  
34 safety, or general welfare, for purposes of Sections 11346.1 and  
35 11349.6 of the Government Code, and the department is hereby  
36 exempted from the requirement to describe specific facts showing  
37 the need for immediate action.

38 (b) A group home program shall be initially classified, for  
39 purposes of emergency regulations, according to the level of care  
40 and services to be provided using a point system developed by the

1 department and described in the report, “The Classification of  
2 Group Home Programs under the Standardized Schedule of Rates  
3 System,” prepared by the State Department of Social Services,  
4 August 30, 1989.

5 (c) The rate for each RCL has been determined by the  
6 department with data from the AFDC-FC Group Home Rate  
7 Classification Pilot Study. The rates effective July 1, 1990, were  
8 developed using 1985 calendar year costs and reflect adjustments  
9 to the costs for each fiscal year, starting with the 1986–87 fiscal  
10 year, by the amount of the California Necessities Index computed  
11 pursuant to the methodology described in Section 11453. The data  
12 obtained by the department using 1985 calendar year costs shall  
13 be updated and revised by January 1, 1993.

14 (d) As used in this section, “standardized schedule of rates”  
15 means a listing of the 14 rate classification levels, and the single  
16 rate established for each RCL.

17 (e) Except as specified in paragraph (1), the department shall  
18 determine the RCL for each group home program on a prospective  
19 basis, according to the level of care and services that the group  
20 home operator projects will be provided during the period of time  
21 for which the rate is being established.

22 (1) (A) For new and existing providers requesting the  
23 establishment of an RCL, and for existing group home programs  
24 requesting an RCL increase, the department shall determine the  
25 RCL no later than 13 months after the effective date of the  
26 provisional rate. The determination of the RCL shall be based on  
27 a program audit of documentation and other information that  
28 verifies the level of care and supervision provided by the group  
29 home program during a period of the two full calendar months or  
30 60 consecutive days, whichever is longer, preceding the date of  
31 the program audit, unless the group home program requests a lower  
32 RCL. The program audit shall not cover the first six months of  
33 operation under the provisional rate. Pending the department’s  
34 issuance of the program audit report that determines the RCL for  
35 the group home program, the group home program shall be eligible  
36 to receive a provisional rate that shall be based on the level of care  
37 and service that the group home program proposes it will provide.  
38 The group home program shall be eligible to receive only the RCL  
39 determined by the department during the pendency of any appeal  
40 of the department’s RCL determination.

1 (B) A group home program may apply for an increase in its  
2 RCL no earlier than two years from the date the department has  
3 determined the group home program's rate, unless the host county,  
4 the primary placing county, or a regional consortium of counties  
5 submits to the department in writing that the program is needed  
6 in that county, that the provider is capable of effectively and  
7 efficiently operating the proposed program, and that the provider  
8 is willing and able to accept AFDC-FC children for placement  
9 who are determined by the placing agency to need the level of care  
10 and services that will be provided by the program.

11 (C) To ensure efficient administration of the department's audit  
12 responsibilities, and to avoid the fraudulent creation of records,  
13 group home programs shall make records that are relevant to the  
14 RCL determination available to the department in a timely manner.  
15 Except as provided in this section, the department may refuse to  
16 consider, for purposes of determining the rate, any documents that  
17 are relevant to the determination of the RCL that are not made  
18 available by the group home provider by the date the group home  
19 provider requests a hearing on the department's RCL  
20 determination. The department may refuse to consider, for purposes  
21 of determining the rate, the following records, unless the group  
22 home provider makes the records available to the department  
23 during the fieldwork portion of the department's program audit:

24 (i) Records of each employee's full name, home address,  
25 occupation, and social security number.

26 (ii) Time records showing when the employee begins and ends  
27 each work period, meal periods, split shift intervals, and total daily  
28 hours worked.

29 (iii) Total wages paid each payroll period.

30 (iv) Records required to be maintained by licensed group home  
31 providers under Title 22 of the California Code of Regulations  
32 that are relevant to the RCL determination.

33 (D) To minimize financial abuse in the startup of group home  
34 programs, when the department's RCL determination is more than  
35 three levels lower than the RCL level proposed by the group home  
36 provider, and the group home provider does not appeal the  
37 department's RCL determination, the department shall terminate  
38 the rate of a group home program 45 days after issuance of its  
39 program audit report. When the group home provider requests a  
40 hearing on the department's RCL determination, and the RCL

1 determined by the director under subparagraph (E) is more than  
2 three levels lower than the RCL level proposed by the group home  
3 provider, the department shall terminate the rate of a group home  
4 program within 30 days of issuance of the director's decision.  
5 Notwithstanding the reapplication provisions in subparagraph (B),  
6 the department shall deny any request for a new or increased RCL  
7 from a group home provider whose RCL is terminated pursuant  
8 to this subparagraph, for a period of no greater than two years from  
9 the effective date of the RCL termination.

10 (E) A group home provider may request a hearing of the  
11 department's RCL determination under subparagraph (A) no later  
12 than 30 days after the date the department issues its RCL  
13 determination. The department's RCL determination shall be final  
14 if the group home provider does not request a hearing within the  
15 prescribed time. Within 60 days of receipt of the request for  
16 hearing, the department shall conduct a hearing on the RCL  
17 determination. The standard of proof shall be the preponderance  
18 of the evidence and the burden of proof shall be on the department.  
19 The hearing officer shall issue the proposed decision within 45  
20 days of the close of the evidentiary record. The director shall adopt,  
21 reject, or modify the proposed decision, or refer the matter back  
22 to the hearing officer for additional evidence or findings within  
23 100 days of issuance of the proposed decision. If the director takes  
24 no action on the proposed decision within the prescribed time, the  
25 proposed decision shall take effect by operation of law.

26 (2) Group home programs that fail to maintain at least the level  
27 of care and services associated with the RCL upon which their rate  
28 was established shall inform the department. The department shall  
29 develop regulations specifying procedures to be applied when a  
30 group home fails to maintain the level of services projected,  
31 including, but not limited to, rate reduction and recovery of  
32 overpayments.

33 (3) The department shall not reduce the rate, establish an  
34 overpayment, or take other actions pursuant to paragraph (2) for  
35 any period that a group home program maintains the level of care  
36 and services associated with the RCL for children actually residing  
37 in the facility. Determinations of levels of care and services shall  
38 be made in the same way as modifications of overpayments are  
39 made pursuant to paragraph (2) of subdivision (b) of Section  
40 11466.2.



(4) A group home program that substantially changes its staffing pattern from that reported in the group home program statement shall provide notification of this change to all counties that have placed children currently in care. This notification shall be provided whether or not the RCL for the program may change as a result of the change in staffing pattern.

(f) (1) The standardized schedule of rates for the 2002–03, 2003–04, 2004–05, 2005–06, 2006–07, and 2007–08 fiscal years is:

| Rate           | Point Ranges | FY 2002–03, 2003–04,<br>2004–05, 2005–06,<br>2006–07, and 2007–08 |
|----------------|--------------|---|
| Classification |              |   |
| Level          |              | Standard Rate   |
| 1              | Under 60     | \$1,454   |
| 2              | 60– 89       | 1,835   |
| 3              | 90–119       | 2,210   |
| 4              | 120–149      | 2,589   |
| 5              | 150–179      | 2,966   |
| 6              | 180–209      | 3,344   |
| 7              | 210–239      | 3,723   |
| 8              | 240–269      | 4,102   |
| 9              | 270–299      | 4,479   |
| 10             | 300–329      | 4,858   |
| 11             | 330–359      | 5,234   |
| 12             | 360–389      | 5,613   |
| 13             | 390–419      | 5,994   |
| 14             | 420 & Up     | 6,371   |

(2) (A) For group home programs that receive AFDC-FC payments for services performed during the 2002–03, 2003–04, 2004–05, 2005–06, 2006–07, 2007–08, 2008–09, and 2009–10 fiscal years, the adjusted RCL point ranges below shall be used for establishing the biennial rates for existing programs, pursuant to paragraph (3) of subdivision (a) and in performing program audits and in determining any resulting rate reduction, overpayment assessment, or other actions pursuant to paragraph (2) of subdivision (e):

| Rate | Adjusted Point Ranges |
|------|-----------------------|
|------|-----------------------|

|    |                |  |
|----|----------------|--|
| 1  | Classification | for the 2002–03, 2003–04,                    |
| 2  |                | 2004–05, 2005–06, 2006–07, 2007–08, 2008–09, |
| 3  | Level          | and 2009–10 Fiscal Years                     |
| 4  | 1              | Under 54                                     |
| 5  | 2              | 54– 81                                       |
| 6  | 3              | 82–110                                       |
| 7  | 4              | 111–138                                      |
| 8  | 5              | 139–167                                      |
| 9  | 6              | 168–195                                      |
| 10 | 7              | 196–224                                      |
| 11 | 8              | 225–253                                      |
| 12 | 9              | 254–281                                      |
| 13 | 10             | 282–310                                      |
| 14 | 11             | 311–338                                      |
| 15 | 12             | 339–367                                      |
| 16 | 13             | 368–395                                      |
| 17 | 14             | 396 & Up                                     |

18

19 (B) Notwithstanding subparagraph (A), foster care providers  
 20 operating group homes during the 2002–03, 2003–04, 2004–05,  
 21 2005–06, 2006–07, 2007–08, 2008–09, and 2009–10 fiscal years  
 22 shall remain responsible for ensuring the health and safety of the  
 23 children placed in their programs in accordance with existing  
 24 applicable provisions of the Health and Safety Code and  
 25 community care licensing regulations, as contained in Title 22 of  
 26 the Code of California Regulations.

27 (C) Subparagraph (A) shall not apply to program audits of group  
 28 home programs with provisional rates established pursuant to  
 29 paragraph (1) of subdivision (e). For those program audits, the  
 30 RCL point ranges in paragraph (1) shall be used.

31 (D) Rates applicable for the 2009–10 fiscal year pursuant to the  
 32 act that adds this subparagraph shall be effective October 1, 2009.

33 (3) (A) For group home programs that receive AFDC-FC  
 34 payments for services performed during the 2009–10 fiscal year  
 35 the adjusted RCL point ranges below shall be used for establishing  
 36 the biennial rates for existing programs, pursuant to paragraph (3)  
 37 of subdivision (a) and in performing program audits and in  
 38 determining any resulting rate reduction, overpayment assessment,  
 39 or other actions pursuant to paragraph (2) of subdivision (e):

| Rate           | Adjusted Point Ranges |
|----------------|-----------------------|
| Classification | for the 2009–10       |
| Level          | Fiscal Years          |
| 1              | Under 39              |
| 2              | 39–64                 |
| 3              | 65–90                 |
| 4              | 91–115                |
| 5              | 116–141               |
| 6              | 142–167               |
| 7              | 168–192               |
| 8              | 193–218               |
| 9              | 219–244               |
| 10             | 245–270               |
| 11             | 271–295               |
| 12             | 296–321               |
| 13             | 322–347               |
| 14             | 348 & Up              |

(B) Notwithstanding subparagraph (A), foster care providers operating group homes during the 2009–10 fiscal year shall remain responsible for ensuring the health and safety of the children placed in their programs in accordance with existing applicable provisions of the Health and Safety Code and community care licensing regulations as contained in Title 22 of the California Code of Regulations.

(C) Subparagraph (A) shall not apply to program audits of group home programs with provisional rates established pursuant to paragraph (1) of subdivision (e). For those program audits, the RCL point ranges in paragraph (1) shall be used.

(g) (1) (A) For the 1999–2000 fiscal year, the standardized rate for each RCL shall be adjusted by an amount equal to the California Necessities Index computed pursuant to the methodology described in Section 11453. The resultant amounts shall constitute the new standardized schedule of rates, subject to further adjustment pursuant to subparagraph (B).

(B) In addition to the adjustment in subparagraph (A), commencing January 1, 2000, the standardized rate for each RCL shall be increased by 2.36 percent, rounded to the nearest dollar. The resultant amounts shall constitute the new standardized schedule of rates.

(2) Beginning with the 2000–01 fiscal year, the standardized schedule of rates shall be adjusted annually by an amount equal to the CNI computed pursuant to Section 11453, subject to the availability of funds. The resultant amounts shall constitute the new standardized schedule of rates.

(3) Effective January 1, 2001, the amount included in the standard rate for each Rate Classification Level (RCL) for the salaries, wages, and benefits for staff providing child care and supervision or performing social work activities, or both, shall be increased by 10 percent. This additional funding shall be used by group home programs solely to supplement staffing, salaries, wages, and benefit levels of staff specified in this paragraph. The standard rate for each RCL shall be recomputed using this adjusted amount and the resultant rates shall constitute the new standardized schedule of rates. The department may require a group home receiving this additional funding to certify that the funding was utilized in accordance with the provisions of this section.

(4) Effective January 1, 2008, the amount included in the standard rate for each RCL for the wages for staff providing child care and supervision or performing social work activities, or both, shall be increased by 5 percent, and the amount included for the payroll taxes and other employer-paid benefits for these staff shall be increased from 20.325 percent to 24 percent. The standard rate for each RCL shall be recomputed using these adjusted amounts, and the resulting rates shall constitute the new standardized schedule of rates.

(5) The new standardized schedule of rates as provided for in paragraph (4) shall be reduced by 10 percent, effective October 1, 2009, and the resulting rates shall constitute the new standardized schedule of rates.

(6) The rates of licensed group home providers, whose rates are not established under the standardized schedule of rates, shall be reduced by 10 percent, effective October 1, 2009.

(h) The standardized schedule of rates pursuant to subdivisions (f) and (g) shall be implemented as follows:

(1) Any group home program that received an AFDC-FC rate in the prior fiscal year at or above the standard rate for the RCL in the current fiscal year shall continue to receive that rate.

1 (2) Any group home program that received an AFDC-FC rate  
2 in the prior fiscal year below the standard rate for the RCL in the  
3 current fiscal year shall receive the RCL rate for the current year.

4 (i) (1) The department shall not establish a rate for a new  
5 program of a new or existing provider, or for an existing program  
6 at a new location of an existing provider, unless the provider  
7 submits a letter of recommendation from the host county, the  
8 primary placing county, or a regional consortium of counties that  
9 includes all of the following:

10 (A) That the program is needed by that county.

11 (B) That the provider is capable of effectively and efficiently  
12 operating the program.

13 (C) That the provider is willing and able to accept AFDC-FC  
14 children for placement who are determined by the placing agency  
15 to need the level of care and services that will be provided by the  
16 program.

17 (D) That, if the letter of recommendation is not being issued by  
18 the host county, the primary placing county has notified the host  
19 county of its intention to issue the letter and the host county was  
20 given the opportunity of 30 days to respond to this notification  
21 and to discuss options with the primary placing county.

22 (2) The department shall encourage the establishment of  
23 consortia of county placing agencies on a regional basis for the  
24 purpose of making decisions and recommendations about the need  
25 for, and use of, group home programs and other foster care  
26 providers within the regions.

27 (3) The department shall annually conduct a county-by-county  
28 survey to determine the unmet placement needs of children placed  
29 pursuant to Section 300 and Section 601 or 602, and shall publish  
30 its findings by November 1 of each year.

31 (j) The department shall develop regulations specifying  
32 ratesetting procedures for program expansions, reductions, or  
33 modifications, including increases or decreases in licensed capacity,  
34 or increases or decreases in level of care or services.

35 (k) For the purpose of this subdivision, “program change” means  
36 any alteration to an existing group home program planned by a  
37 provider that will increase the RCL or AFDC-FC rate. An increase  
38 in the licensed capacity or other alteration to an existing group  
39 home program that does not increase the RCL or AFDC-FC rate  
40 shall not constitute a program change.

(l) General unrestricted or undesignated private charitable donations and contributions made to charitable or nonprofit organizations shall not be deducted from the cost of providing services pursuant to this section. The donations and contributions shall not be considered in any determination of maximum expenditures made by the department.

~~(m) The department shall, by October 1 of each year, commencing October 1, 1992, provide the Joint Legislative Budget Committee with a list of any new departmental requirements established during the previous fiscal year concerning the operation of group homes, and of any unusual, industrywide increase in costs associated with the provision of group care that may have significant fiscal impact on providers of group homes care. The committee may, in fiscal year 1993-94 and beyond, use the list to determine whether an appropriation for rate adjustments is needed in the subsequent fiscal year.~~

~~SEC. 197.~~

SEC. 196. Section 14005.30 of the Welfare and Institutions Code is amended to read:

14005.30. (a) (1) To the extent that federal financial participation is available, Medi-Cal benefits under this chapter shall be provided to individuals eligible for services under Section 1396u-1 of Title 42 of the United States Code, including any options under Section 1396u-1(b)(2)(C) made available to and exercised by the state.

(2) The department shall exercise its option under Section 1396u-1(b)(2)(C) of Title 42 of the United States Code to adopt less restrictive income and resource eligibility standards and methodologies to the extent necessary to allow all recipients of benefits under Chapter 2 (commencing with Section 11200) to be eligible for Medi-Cal under paragraph (1).

(3) To the extent federal financial participation is available, the department shall exercise its option under Section 1396u-1(b)(2)(C) of Title 42 of the United States Code authorizing the state to disregard all changes in income or assets of a beneficiary until the next annual redetermination under Section 14012. The department shall implement this paragraph only if, and to the extent that the State Child Health Insurance Program waiver described in Section 12693.755 of the Insurance Code extending Healthy Families

1 Program eligibility to parents and certain other adults is approved  
2 and implemented.

3 (b) To the extent that federal financial participation is available,  
4 the department shall exercise its option under Section  
5 1396u-1(b)(2)(C) of Title 42 of the United States Code as necessary  
6 to expand eligibility for Medi-Cal under subdivision (a) by  
7 establishing the amount of countable resources individuals or  
8 families are allowed to retain at the same amount medically needy  
9 individuals and families are allowed to retain, except that a family  
10 of one shall be allowed to retain countable resources in the amount  
11 of three thousand dollars (\$3,000).

12 (c) To the extent federal financial participation is available, the  
13 department shall, commencing March 1, 2000, adopt an income  
14 disregard for applicants equal to the difference between the income  
15 standard under the program adopted pursuant to Section 1931(b)  
16 of the federal Social Security Act (42 U.S.C. Sec. 1396u-1) and  
17 the amount equal to 100 percent of the federal poverty level  
18 applicable to the size of the family. A recipient shall be entitled  
19 to the same disregard, but only to the extent it is more beneficial  
20 than, and is substituted for, the earned income disregard available  
21 to recipients.

22 (d) For purposes of calculating income under this section during  
23 any calendar year, increases in social security benefit payments  
24 under Title II of the federal Social Security Act (42 U.S.C. Sec.  
25 401 and following) arising from cost-of-living adjustments shall  
26 be disregarded commencing in the month that these social security  
27 benefit payments are increased by the cost-of-living adjustment  
28 through the month before the month in which a change in the  
29 federal poverty level requires the department to modify the income  
30 disregard pursuant to subdivision (c) and in which new income  
31 limits for the program established by this section are adopted by  
32 the department.

33 (e) Subdivision (b) shall be applied retroactively to January 1,  
34 1998.

35 (f) Notwithstanding Chapter 3.5 (commencing with Section  
36 11340) of Part 1 of Division 3 of Title 2 of the Government Code,  
37 the department shall implement, without taking regulatory action,  
38 subdivisions (a) and (b) of this section by means of an all county  
39 letter or similar instruction. Thereafter, the department shall adopt  
40 regulations in accordance with the requirements of Chapter 3.5

(commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

~~SEC. 198.~~

*SEC. 197.* Section 14021.31 of the Welfare and Institutions Code is amended to read:

14021.31. The department, in collaboration with the State Department of Alcohol and Drug Programs, shall develop an administrative and programmatic transition plan to guide the transfer of the Drug Medi-Cal program to the department effective July 1, 2012.

(a) Commencing no later than July 15, 2011, the department, together with the State Department of Alcohol and Drug Programs, shall convene stakeholders to receive input from consumers, family members, providers, counties, and representatives of the Legislature concerning the transfer of the administration of Drug Medi-Cal functions currently performed by the State Department of Alcohol and Drug Programs to the department. This consultation shall inform the creation of an administrative and programmatic transition plan that shall include, but is not limited to, the following components:

(1) Plans for how to review monthly billing from counties to monitor and prevent any disruptions of service to Drug Medi-Cal beneficiaries during and immediately after the transition, and a description of how the department intends to approach the longer-term development of measures for access and quality of service.

(2) A detailed description of the Drug Medi-Cal administrative functions currently performed by the State Department of Alcohol and Drug Programs.

(3) Explanations of the operational steps, timelines, and key milestones for determining when and how each of these functions will be transferred. These explanations shall also be developed for the transition of position and staff serving the Drug Medi-Cal program and how these will relate to and align with positions for the Medi-Cal program at the department. The department shall consult with the Department of Personnel Administration in developing this aspect of the transition plan.

(4) A list of any planned or proposed changes or efficiencies in how the functions will be performed, including the anticipated fiscal and programmatic impacts of the changes.



1 (5) A detailed organization chart that reflects the planned  
2 staffing at the department, taking into account the requirements  
3 of subparagraphs (A) to (C), inclusive, and includes focused,  
4 high-level leadership for behavioral health issues.

5 (6) A description of how stakeholders were included in the  
6 initial planning process to formulate the transition plan, and a  
7 description of how their feedback will be taken into consideration  
8 after transition activities are underway.

9 (b) The department, together with the State Department of  
10 Alcohol and Drug Programs, shall convene and consult with  
11 stakeholders at least once following production of a draft of the  
12 transition plan and before submission of that plan to the  
13 Legislature. Continued consultation with stakeholders shall occur  
14 in accordance with the requirement in subparagraph (F) of  
15 paragraph (1).

16 ~~SEC. 199.~~

17 *SEC. 198.* Section 14022.4 of the Welfare and Institutions  
18 Code is amended to read:

19 14022.4. (a) Any nursing facility or any category of  
20 intermediate care facility for the developmentally disabled currently  
21 certified to participate in the Medi-Cal program may not voluntarily  
22 withdraw from the program unless all of the following conditions  
23 are met:

24 (1) The facility shall file with the department a notice of intent  
25 to withdraw from the Medi-Cal program.

26 (2) Except for patients to be transferred or discharged only for  
27 medical reasons, or for patients' welfare or that of other patients,  
28 or for nonpayment for his or her stay, the facility shall not  
29 subsequently evict any Medi-Cal recipient or private pay patient  
30 residing in the facility at the time the notice of intent to withdraw  
31 from the Medi-Cal program is filed.

32 (3) Patients admitted to the facility on or after the date of the  
33 notice of intent to withdraw from the Medi-Cal program shall be  
34 advised orally and in writing of both the following:

35 (A) That the facility intends to withdraw from the Medi-Cal  
36 program.

37 (B) That notwithstanding Section 14124.7, the facility is not  
38 required to keep a new resident who converts from private pay to  
39 Medi-Cal.

(b) Subdivision (a) shall not apply to facilities that have filed, prior to May 1, 1987, a notice of intent to withdraw from the Medi-Cal program.

(c) The department shall notify the appropriate substate ombudsmen monthly as to which facilities have filed a notice of intent to withdraw from the Medi-Cal program. This information shall also be made available to the public and noted in facility files available in each district office.

(d) The facility may formally withdraw from the Medi-Cal program when all patients residing in the facility at the time the facility filed the notice of intent to withdraw from the Medi-Cal program no longer reside in the facility.

(e) If a facility that has withdrawn as a Medi-Cal provider pursuant to this section subsequently reapplies to the department to become a Medi-Cal provider, the department shall require as a condition of becoming a Medi-Cal provider that the facility enter into a five-year Medi-Cal provider contract with the department.

(f) This section shall be inoperative in the event federal law or federal or state appellate judicial decisions prohibit implementation or invalidate any part of this section.

(g) (1) This section does not apply to any facility which ceases operations entirely.

(2) For purposes of this subdivision, “ceases operations entirely” means not being in operation for a period of not less than 12 months.

~~SEC. 200.~~

*SEC. 199.* Section 14067 of the Welfare and Institutions Code is amended to read:

14067. (a) The department, in conjunction with the Managed Risk Medical Insurance Board, may develop and conduct a community outreach and education campaign to help families learn about, and apply for, Medi-Cal and the Healthy Families Program of the Managed Risk Medical Insurance Board, subject to the requirements of federal law. In conducting this campaign, the department may seek input from, and contract with, various entities and programs that serve children, including, but not limited to, the State Department of Education, counties, Women, Infants, and Children program agencies, Head Start and Healthy Start programs, and community-based organizations that deal with potentially eligible families and children to assist in the outreach, education,

1 and application completion process. The department shall  
2 implement the campaign if funding is provided for this purpose  
3 by an appropriation in the annual Budget Act or other statute.

4 (b) In implementing this section, the department may amend  
5 any existing or future media outreach campaign contract that it  
6 has entered into pursuant to Section 14148.5. Notwithstanding any  
7 other provision of law, any such contract entered into, or amended,  
8 as required to implement this section, shall be exempt from the  
9 approval of the Director of General Services and from the  
10 provisions of the Public Contract Code.

11 (c) (1) The department, in conjunction with the Managed Risk  
12 Medical Insurance Board, may award contracts to  
13 community-based organizations to help families learn about, and  
14 enroll in, the Medi-Cal program and Healthy Families Program,  
15 and other health care programs for low-income children. The  
16 department shall implement this subdivision if funding is provided  
17 for this purpose by an appropriation in the annual Budget Act or  
18 other statute.

19 (2) Contracts for these outreach and enrollment projects shall  
20 be awarded based on, but not limited to, all of the following  
21 criteria:

22 (A) Capacity to reach populations or geographic areas with  
23 disproportionately low enrollment rates. If it is not possible to  
24 estimate the number of uninsured children in a geographic area  
25 who are eligible for the Medi-Cal program or the Healthy Families  
26 Program, proxy measures for rates of eligible children may be  
27 used. These measures may include, but are not limited to, the  
28 number of children in families with gross annual household  
29 incomes at or below the federal poverty levels pertinent to the  
30 programs.

31 (B) Organizational capacity and experience, including, but not  
32 limited to, any of the following:

33 (i) Organizational experience in serving low-income families.

34 (ii) Ability to work effectively with populations that have  
35 disproportionately low enrollment rates.

36 (iii) Organizational experiences in helping families learn about,  
37 and enroll in, the Medi-Cal program and Healthy Families Program.  
38 Organizations that do not have experience helping families learn  
39 about, and enroll in, the Medi-Cal program and Healthy Families  
40 Program shall be eligible only to the extent that they support and

1 collaborate with the outreach and enrollment activities of entities  
2 with that experience.

3 (C) Effectiveness of the outreach and education plan, including,  
4 but not limited to, all of the following:

5 (i) Culturally and linguistically appropriate outreach and  
6 education strategies.

7 (ii) Strategies to identify and address barriers to enrollment,  
8 such as transportation limitations and community perceptions  
9 regarding the Medi-Cal program and Healthy Families Program.

10 (iii) Coordination with other outreach efforts in the community,  
11 including the statewide Healthy Families Program and Medi-Cal  
12 program outreach campaign, the state and federally funded county  
13 Medi-Cal outreach program, and any other Medi-Cal program and  
14 Healthy Families Program outreach projects in the target  
15 community.

16 (iv) Collaboration with other local organizations that serve  
17 families of eligible children.

18 (v) Strategies to ensure that children and families retain coverage  
19 and are informed of options for health coverage and services when  
20 they lose eligibility for a particular program.

21 (vi) Plans to inform families about all available health care  
22 programs and services.

23 ~~SEC. 201.~~

24 *SEC. 200.* Section 14087.305 of the Welfare and Institutions  
25 Code is amended to read:

26 14087.305. (a) In areas specified by the director for expansion  
27 of the Medi-Cal managed care program under Section 14087.3  
28 and where the department is contracting with a prepaid health plan  
29 that is contracting with, governed, owned or operated by a county  
30 board of supervisors, a county special commission or county health  
31 authority authorized by Sections 14018.7, 14087.31, 14087.35,  
32 14087.36, 14087.38, and 14087.96, a Medi-Cal or California Work  
33 Opportunity and Responsibility for Kids (CalWORKs) applicant  
34 or beneficiary shall be informed of the health care options available  
35 regarding methods of receiving Medi-Cal benefits. The county  
36 shall ensure that each beneficiary is informed of these options and  
37 informed that a health care options presentation is available.

38 (b) The managed care options information described in  
39 subdivision (a) shall include the following elements:

1 (1) Each beneficiary or eligible applicant shall be provided, at  
2 a minimum, with the name, address, telephone number, and  
3 specialty, if any, of each primary care provider, by specialty, or  
4 clinic, participating in each managed care health plan option  
5 through a personalized provider directory for that beneficiary or  
6 applicant. This information shall be presented under the geographic  
7 area designations, by the name of the primary care provider and  
8 clinic and shall be updated based on information electronically  
9 provided monthly by the health care plans to the department, setting  
10 forth any changes in the health care plan's provider network. The  
11 geographic areas shall be based on the applicant's residence  
12 address, the minor applicant's school address, the applicant's work  
13 address, or any other factor deemed appropriate by the department,  
14 in consultation with health plan representatives, legislative staff,  
15 and consumer stakeholders. In addition, directories of the entire  
16 service area of the local initiative and commercial plan provider  
17 networks, including, but not limited to, the name, address, and  
18 telephone number of each primary care provider and hospital, shall  
19 be made available to beneficiaries or applicants who request them  
20 from the health care options contractor. Each personalized provider  
21 directory shall include information regarding the availability of a  
22 directory of the entire service area, provide telephone numbers for  
23 the beneficiary to request a directory of the entire service area, and  
24 include a postage-paid mail card to send for a directory of the  
25 entire service area. The personalized provider directory shall be  
26 implemented as a pilot project in Los Angeles County pursuant to  
27 this article, and in Sacramento County (Geographic Managed Care  
28 Model) pursuant to Article 2.91 (commencing with Section 14089).  
29 The content, form, and the geographic areas used in the  
30 personalized provider directories shall be determined by the  
31 department, in consultation with a workgroup to include health  
32 plan representatives, legislative staff, and consumer stakeholders,  
33 with an emphasis on the inclusion of stakeholders from Los  
34 Angeles and Sacramento Counties. The personalized provider  
35 directories may include a section for each health plan. Prior to  
36 implementation of the pilot project, the department, in consultation  
37 with consumer stakeholders, legislative staff, and health plans,  
38 shall determine the parameters, methodology, and evaluation  
39 process of the pilot project. The pilot project shall thereafter be in  
40 effect for a minimum of two years. Following two years of

1 operation as a pilot project in two counties, the department, in  
2 consultation with consumer stakeholders, legislative staff, and  
3 health plans, shall determine whether to implement personalized  
4 provider directories as a permanent program statewide. If  
5 necessary, the pilot project shall continue beyond the initial  
6 two-year period until this determination is made. This pilot project  
7 shall only be implemented to the extent that it is budget neutral to  
8 the department.

9 (2) Each beneficiary or eligible applicant shall be informed that  
10 he or she may choose to continue an established patient-provider  
11 relationship in a managed care option, if his or her treating provider  
12 is a primary care provider or clinic contracting with any of the  
13 prepaid health plan options available and has available capacity  
14 and agrees to continue to treat that beneficiary or applicant.

15 (3) Each beneficiary or eligible applicant shall be informed that  
16 if he or she fails to make a choice, he or she shall be assigned to,  
17 and enrolled in, a prepaid health plan.

18 (c) No later than 30 days following the date a Medi-Cal or  
19 CalWORKs beneficiary or applicant is determined eligible for  
20 Medi-Cal, the beneficiary shall indicate his or her choice, in  
21 writing, from among the available prepaid health plans in the region  
22 and his or her choice of primary care provider or clinic contracting  
23 with the selected prepaid health plan. Notwithstanding the 30-day  
24 deadline set forth in this subdivision, if a beneficiary requests a  
25 directory for the entire service area within 30 days of receiving an  
26 enrollment form, the deadline for choosing a plan shall be extended  
27 an additional 30 days from the date of the request.

28 (d) At the time the beneficiary or eligible applicant selects a  
29 prepaid health plan, the department shall, when applicable,  
30 encourage the beneficiary or eligible applicant to also indicate, in  
31 writing, his or her choice of primary care provider or clinic  
32 contracting with the selected prepaid health plan.

33 (e) In areas specified by the director for expansion of the  
34 Medi-Cal managed care program under Section 14087.3, and where  
35 the department is contracting with a prepaid health plan that is  
36 contracting with, governed, owned or operated by a county board  
37 of supervisors, a county special commission or county health  
38 authority authorized by Sections 14018.7, 14087.31, 14087.35,  
39 14087.36, 14087.38, and 14087.96, a Medi-Cal or CalWORKs  
40 beneficiary who does not make a choice of managed care plans,

1 shall be assigned to and enrolled in an appropriate Medi-Cal  
2 prepaid health plan providing service within the area in which the  
3 beneficiary resides.

4 (f) If a beneficiary or eligible applicant does not choose a  
5 primary care provider or clinic, or does not select any primary care  
6 provider who is available, the prepaid health plan that was selected  
7 by or assigned to the beneficiary shall ensure that the beneficiary  
8 selects a primary care provider or clinic within 30 days after  
9 enrollment or is assigned to a primary care provider within 40 days  
10 after enrollment.

11 (g) Any Medi-Cal or CalWORKs beneficiary dissatisfied with  
12 the primary care provider or prepaid health plan shall be allowed  
13 to select or be assigned to another primary care provider within  
14 the same prepaid health plan. In addition, the beneficiary shall be  
15 allowed to select or be assigned to another prepaid health plan  
16 contracted for pursuant to this article that is in effect for the  
17 geographic area in which he or she resides, in accordance with  
18 Section 1903(m)(2)(F)(ii) of the Social Security Act.

19 (h) The department or its contractor shall notify a prepaid health  
20 plan when it has been selected by or assigned to a beneficiary. The  
21 prepaid health plan that has been selected by or assigned to a  
22 beneficiary shall notify the primary care provider that has been  
23 selected or assigned. The prepaid health plan shall also notify the  
24 beneficiary of the prepaid health plan and primary care provider  
25 or clinic selected or assigned.

26 (i) (1) The managed health care plan shall have a valid Medi-Cal  
27 contract, adequate capacity, and appropriate staffing to provide  
28 health care services to the beneficiary.

29 (2) The department shall establish standards for all of the  
30 following:

31 (A) The maximum distances a beneficiary is required to travel  
32 to obtain primary care services from the managed care plan, in  
33 which the beneficiary is enrolled.

34 (B) The conditions under which a primary care service site shall  
35 be accessible by public transportation.

36 (C) The conditions under which a managed care plan shall  
37 provide nonmedical transportation to a primary care service site.

38 (3) In developing the standards required by paragraph (2) the  
39 department shall take into account, on a geographic basis, the  
40 means of transportation used and distances typically traveled by

1 Medi-Cal beneficiaries to obtain fee-for-service primary care  
2 services and the experience of managed care plans in delivering  
3 services to Medi-Cal enrollees. The department shall also consider  
4 the provider's ability to render culturally and linguistically  
5 appropriate services.

6 (j) To the extent possible, the arrangements for carrying out  
7 subdivision (e) shall provide for the equitable distribution of  
8 Medi-Cal beneficiaries among participating prepaid health plans,  
9 or managed care plans.

10 (k) This section shall be implemented in a manner consistent  
11 with any federal waiver required to be obtained by the department  
12 in order to implement this section.

13 ~~SEC. 202.~~

14 *SEC. 201.* Section 14089 of the Welfare and Institutions Code  
15 is amended to read:

16 14089. (a) The purpose of this article is to provide a  
17 comprehensive program of managed health care plan services to  
18 Medi-Cal recipients residing in clearly defined geographical areas.  
19 It is, further, the purpose of this article to create maximum  
20 accessibility to health care services by permitting Medi-Cal  
21 recipients the option of choosing from among two or more managed  
22 health care plans or fee-for-service managed care arrangements,  
23 including, but not limited to, health maintenance organizations,  
24 prepaid health plans, and primary care case management plans.  
25 Independent practice associations, health insurance carriers, private  
26 foundations, and university medical centers systems, not-for-profit  
27 clinics, and other primary care providers, may be offered as choices  
28 to Medi-Cal recipients under this article if they are organized and  
29 operated as managed care plans, for the provision of preventive  
30 managed health care plan services.

31 (b) The department may seek proposals and then shall enter into  
32 contracts based on relative costs, extent of coverage offered, quality  
33 of health services to be provided, financial stability of the health  
34 care plan or carrier, recipient access to services, cost-containment  
35 strategies, peer and community participation in quality control,  
36 emphasis on preventive and managed health care services and the  
37 ability of the health plan to meet all requirements for both of the  
38 following:



1 (1) Certification, where legally required, by the Director of the  
2 Department of Managed Health Care and the Insurance  
3 Commissioner.

4 (2) Compliance with all of the following:

5 (A) The health plan shall satisfy all applicable state and federal  
6 legal requirements for participation as a Medi-Cal managed care  
7 contractor.

8 (B) The health plan shall meet any standards established by the  
9 department for the implementation of this article.

10 (C) The health plan receives the approval of the department to  
11 participate in the pilot project under this article.

12 (c) (1) (A) The proposals shall be for the provision of  
13 preventive and managed health care services to specified eligible  
14 populations on a capitated, prepaid, or postpayment basis.

15 (B) Enrollment in a Medi-Cal managed health care plan under  
16 this article shall be voluntary for beneficiaries eligible for the  
17 federal Supplemental Security Income for the Aged, Blind, and  
18 Disabled Program (Subchapter 16 (commencing with Section  
19 1381) of Chapter 7 of Title 42 of the United States Code).

20 (2) The cost of each program established under this section shall  
21 not exceed the total amount that the department estimates it would  
22 pay for all services and requirements within the same geographic  
23 area under the fee-for-service Medi-Cal program.

24 (d) (1) An eligible beneficiary shall be entitled to enroll in any  
25 health care plan contracted for pursuant to this article that is in  
26 effect for the geographic area in which he or she resides. The  
27 department shall make available to recipients information  
28 summarizing the benefits and limitations of each health care plan  
29 available pursuant to this section in the geographic area in which  
30 the recipient resides. A Medi-Cal or CalWORKs applicant or  
31 beneficiary shall be informed of the health care options available  
32 regarding methods of receiving Medi-Cal benefits. The county  
33 shall ensure that each beneficiary is informed of these options and  
34 informed that a health care options presentation is available.

35 (2) No later than 30 days following the date a Medi-Cal or  
36 CalWORKs recipient is informed of the health care options  
37 described in paragraph (1), the recipient shall indicate his or her  
38 choice, in writing, of one of the available health care plans and his  
39 or her choice of primary care provider or clinic contracting with  
40 the selected health care plan. Notwithstanding the 30-day deadline

1 set forth in this paragraph, if a beneficiary requests a directory for  
2 the entire service area within 30 days of the date of receiving an  
3 enrollment form, the deadline for choosing a plan shall be extended  
4 an additional 30 days from the date of that request.

5 (3) The health care options information described in this  
6 subdivision shall include the following elements:

7 (A) Each beneficiary or eligible applicant shall be provided, at  
8 a minimum, with the name, address, telephone number, and  
9 specialty, if any, of each primary care provider, by specialty or  
10 clinic participating in each managed health care plan option through  
11 a personalized provider directory for that beneficiary or applicant.  
12 This information shall be presented under the geographic area  
13 designations by the name of the primary care provider and clinic,  
14 and shall be updated based on information electronically provided  
15 monthly by the health care plans to the department, setting forth  
16 changes in the health care plan provider network. The geographic  
17 areas shall be based on the applicant's residence address, the minor  
18 applicant's school address, the applicant's work address, or any  
19 other factor deemed appropriate by the department, in consultation  
20 with health plan representatives, legislative staff, and consumer  
21 stakeholders. In addition, directories of the entire service area,  
22 including, but not limited to, the name, address, and telephone  
23 number of each primary care provider and hospital, of all  
24 Geographic Managed Care health plan provider networks shall be  
25 made available to beneficiaries or applicants who request them  
26 from the health care options contractor. Each personalized provider  
27 directory shall include information regarding the availability of a  
28 directory of the entire service area, provide telephone numbers for  
29 the beneficiary to request a directory of the entire service area, and  
30 include a postage-paid mail card to send for a directory of the  
31 entire service area. The personalized provider directory shall be  
32 implemented as a pilot project in Sacramento County pursuant to  
33 this article, and in Los Angeles County (Two-Plan Model) pursuant  
34 to Article 2.7 (commencing with Section 14087.305). The content,  
35 form, and geographic areas used shall be determined by the  
36 department in consultation with a workgroup to include health  
37 plan representatives, legislative staff, and consumer stakeholders,  
38 with an emphasis on the inclusion of stakeholders from Los  
39 Angeles and Sacramento Counties. The personalized provider  
40 directories may include a section for each health plan. Prior to

1 implementation of the pilot project, the department, in consultation  
2 with consumer stakeholders, legislative staff, and health plans,  
3 shall determine the parameters, methodology, and evaluation  
4 process of the pilot project. The pilot project shall thereafter be in  
5 effect for a minimum of two years. Following two years of  
6 operation as a pilot project in two counties, the department, in  
7 consultation with consumer stakeholders, legislative staff, and  
8 health plans, shall determine whether to implement personalized  
9 provider directories as a permanent program statewide. If  
10 necessary, the pilot project shall continue beyond the initial  
11 two-year period until this determination is made. This pilot project  
12 shall only be implemented to the extent that it is budget neutral to  
13 the department.

14 (B) Each beneficiary or eligible applicant shall be informed that  
15 he or she may choose to continue an established patient-provider  
16 relationship in a managed care option, if his or her treating provider  
17 is a primary care provider or clinic contracting with any of the  
18 health plans available and has the available capacity and agrees to  
19 continue to treat that beneficiary or eligible applicant.

20 (C) Each beneficiary or eligible applicant shall be informed that  
21 if he or she fails to make a choice, he or she shall be assigned to,  
22 and enrolled in, a health care plan.

23 (4) At the time the beneficiary or eligible applicant selects a  
24 health care plan, the department shall, when applicable, encourage  
25 the beneficiary or eligible applicant to also indicate, in writing,  
26 his or her choice of primary care provider or clinic contracting  
27 with the selected health care plan.

28 (5) Commencing with the implementation of a geographic  
29 managed care project in a designated county, a Medi-Cal or  
30 CalWORKs beneficiary who does not make a choice of health care  
31 plans in accordance with paragraph (2), shall be assigned to and  
32 enrolled in an appropriate health care plan providing service within  
33 the area in which the beneficiary resides.

34 (6) If a beneficiary or eligible applicant does not choose a  
35 primary care provider or clinic, or does not select a primary care  
36 provider who is available, the health care plan selected by or  
37 assigned to the beneficiary shall ensure that the beneficiary selects  
38 a primary care provider or clinic within 30 days after enrollment  
39 or is assigned to a primary care provider within 40 days after  
40 enrollment.

(7) A Medi-Cal or CalWORKs beneficiary dissatisfied with the primary care provider or health care plan shall be allowed to select or be assigned to another primary care provider within the same health care plan. In addition, the beneficiary shall be allowed to select or be assigned to another health care plan contracted for pursuant to this article that is in effect for the geographic area in which he or she resides in accordance with Section 1903(m)(2)(F)(ii) of the Social Security Act.

(8) The department or its contractor shall notify a health care plan when it has been selected by or assigned to a beneficiary. The health care plan that has been selected or assigned by a beneficiary shall notify the primary care provider that has been selected or assigned. The health care plan shall also notify the beneficiary of the health care plan and primary care provider selected or assigned.

(9) This section shall be implemented in a manner consistent with any federal waiver that is required to be obtained by the department to implement this section.

(e) A participating county may include within the plan or plans providing coverage pursuant to this section, employees of county government, and others who reside in the geographic area and who depend upon county funds for all or part of their health care costs.

(f) Funds may be provided to prospective contractors to assist in the design, development, and installation of appropriate programs. The award of these funds shall be based on criteria established by the department.

(g) In implementing this article, the department may enter into contracts for the provision of essential administrative and other services. Contracts entered into under this subdivision may be on a noncompetitive bid basis and shall be exempt from Chapter 2 (commencing with Section 10290) of Part 2 of Division 2 of the Public Contract Code.

(h) Notwithstanding any other provision of law, on and after the effective date of the act adding this subdivision, the department shall have exclusive authority to set the rates, terms, and conditions of geographic managed care contracts and contract amendments under this article. As of that date, all references to this article to the negotiator or to the California Medical Assistance Commission shall be deemed to mean the department.

(i) Notwithstanding subdivision (q) of Section 6254 of the Government Code, a contract or contract amendments executed

by both parties after the effective date of the act adding this subdivision shall be considered a public record for purposes of the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code) and shall be disclosed upon request. This subdivision includes contracts that reveal the department's rates of payment for health care services, the rates themselves, and rate manuals.

~~SEC. 203.~~

*SEC. 202.* Section 14089.05 of the Welfare and Institutions Code is amended to read:

14089.05. (a) (1) The department may implement a multiplan project in the County of San Diego, upon approval of the Board of Supervisors of the County of San Diego, for the provision of benefits under this chapter to eligible Medi-Cal recipients. The multiplan project implemented in San Diego County pursuant to this section shall provide diagnostic, therapeutic, and preventive services provided under the Medi-Cal program, and additional benefits including, but not limited to, medical-related transportation, comprehensive patient management, and referral to other support services.

(2) The County of San Diego shall be eligible to receive funds transferred pursuant to paragraph (1) of subdivision (p) of Section 14163 for the development and implementation of this section. These funds in the amount allocated by the department for the County of San Diego shall be paid by the department upon the enactment of this section to the County of San Diego to reimburse a portion of the costs of the development of the project. To the full extent permitted by state and federal law, these funds shall be distributed by the department for expenditure by the County of San Diego in a manner that qualifies for federal financial participation under the Medicaid Program and the department shall expedite the payment of the federal funds to the County of San Diego. The department shall seek additional state, federal, and other funds to pay for costs that are incurred by the County of San Diego to develop the multiplan project in excess of the payment required by this section, and the department shall assist the county in obtaining the additional funds.

(b) (1) The County of San Diego may establish two advisory boards, one of which shall be composed of consumer representatives and the other of which shall be composed of health

1 care professional's representatives. Each board shall advise the  
2 Department of Health Services of the County of San Diego and  
3 review and comment on all aspects of the implementation of the  
4 multiplan project. At least one of the members of each advisory  
5 board shall be appointed by the board of supervisors. The board  
6 of supervisors shall establish a number of members to serve on  
7 each advisory board, with each supervisor to appoint an equal  
8 number of members from his or her district. Each advisory board  
9 shall vote on all pilot project policies and issues that are submitted  
10 to the board of supervisors.

11 (2) Notwithstanding any other provision of law, a member of  
12 an advisory board established pursuant to this section shall not be  
13 deemed to be interested in a contract entered into by the department  
14 within the meaning of Article 4 (commencing with Section 1090)  
15 of Chapter 1 of Division 4 of Title 1 of the Government Code if  
16 the member is a Medi-Cal recipient or if all of the following apply:

17 (A) The member was appointed to represent the interests of  
18 physicians, health care practitioners, hospitals, pharmacies, or  
19 other health care organizations.

20 (B) The contract authorizes the member or the organization the  
21 member represents to provide Medi-Cal services under the  
22 multiplan project.

23 (C) The contract contains substantially the same terms and  
24 conditions as contracts entered into with other individuals or  
25 organizations the member was appointed to represent.

26 (D) The member does not influence or attempt to influence the  
27 joint advisory board or another member of the joint advisory board  
28 to recommend that the department enter into the contract in which  
29 the member is interested.

30 (E) The member discloses the interest to the joint advisory board  
31 and abstains from voting on any recommendation on the contract.

32 (F) The advisory board notes the member's disclosure and  
33 abstention in its official records.

34 (3) Members of the advisory boards shall not be paid  
35 compensation for activities relating to their duties as members,  
36 but members who are Medi-Cal recipients shall be reimbursed an  
37 appropriate amount by the County of San Diego for travel and  
38 child care expenses incurred in performing their duties under this  
39 section.

1 (c) At the discretion of the department, the County of San Diego,  
2 the department, or other appropriate entities may perform any of  
3 the following in a manner that accomplishes the integration of the  
4 intake of eligible beneficiaries to the project, the assessment of  
5 beneficiary individual and family needs and circumstances, and  
6 the timely referral of beneficiaries to health care and other services  
7 to respond to their individual and family needs:

8 (1) Determine the eligibility of Medi-Cal applicants and  
9 recipients in a manner and environment that is accessible to the  
10 recipients and applicants.

11 (2) Perform enrollment activities in a manner that ensures that  
12 recipients be given the opportunity to select the provider of their  
13 choice in a manner and environment that is accessible to the  
14 recipients.

15 (3) The department may negotiate and amend its contract with  
16 the county to provide for specified quality improvement activities,  
17 and may require each of the health plans to participate in those  
18 activities. The department shall also participate in the county's  
19 quality improvement activities.

20 (d) Notwithstanding Section 14089 or any other provision of  
21 law, the County of San Diego, when contracting with the  
22 department pursuant to this section or subdivision (d), (i), or (j) of  
23 Section 14089, shall not be liable for damages for injury to persons  
24 or property arising out of the actions or inactions of the department,  
25 the department's other contractors, or providers of health care or  
26 other services, or Medi-Cal recipients. This section shall not relieve  
27 the County of San Diego from liability arising out of its actions  
28 or inactions.

29 (e) The County of San Diego, when contracting with the  
30 department pursuant to Section 14089 or this section, shall have  
31 no legal duty to provide health care or other services to Medi-Cal  
32 recipients, and shall have no financial responsibility for the  
33 department's other contractors or providers of health care or other  
34 services, except to the extent specifically set forth in contracts  
35 between the department and the county.

36 (f) Notwithstanding Section 14089.6, the department may  
37 terminate any existing managed care contract with either a prepaid  
38 health plan or a primary care case management plan for services  
39 in the County of San Diego in accordance with the terms and  
40 conditions set forth in the existing contract, at any time that the

1 department determines that termination is in the best interest of  
2 the state. The department shall notify an existing prepaid health  
3 plan at least 90 days prior to termination. The department shall  
4 notify a primary care case management plan at least 30 days prior  
5 to termination.

6 (g) All contracts entered into by the department and the County  
7 of San Diego pursuant to Section 14089 or this section shall not  
8 be for the benefit of any third party, and no third-party beneficiary  
9 relationship shall be established between the county and any other  
10 party, except as may be specifically set forth in contracts between  
11 the department and the County of San Diego.

12 (h) (1) For purposes of this section, “multiplan project” means  
13 a program authorized by this section in which a number of  
14 Knox-Keene licensed health plans designated by the county and  
15 approved by the department shall be the only Medi-Cal managed  
16 care health plans authorized to operate within San Diego County,  
17 with the exception of special projects approved by the department.

18 (2) Designated health plans shall include, but not be limited to,  
19 health plans sponsored by traditional Medi-Cal physicians,  
20 neighborhood health centers, community clinics, health systems,  
21 including hospitals and other providers, or a combination thereof.

22 (3) Participating health plans shall first be designated by the  
23 county for approval by the department. Health plans approved by  
24 the department shall be eligible to contract with the department.  
25 Designation by the county and approval by the department provides  
26 the health plan only with the opportunity to compete for a contract  
27 and does not guarantee a contract with the state.

28 (4) Designation requirements imposed by the county shall not  
29 conflict with the requirements imposed by the department, the  
30 federal Medicaid Program, and the Medi-Cal program, and may  
31 not impose stricter requirements, without the department’s  
32 approval, than those imposed by the department, the federal  
33 Medicaid Program, and the Medi-Cal program.

34 (5) Designation of health plans by the county will continue for  
35 the term of the Medi-Cal contract.

36 (i) Nothing in this section relieves the county of duties or  
37 liabilities imposed by Part 5 (commencing with Section 17000) or  
38 which it has assumed through contract with entities other than the  
39 department.



(j) Indian health facilities in San Diego County may contract directly with the department as Medi-Cal fee-for-service case management providers apart from the geographic managed care program or may participate in the network of one or more of the geographic managed care plans. Indian health service facilities that contract with the department as fee-for-service case management providers may enroll Medi-Cal recipients, including, but not limited to, recipients who are in any of the geographic managed care mandatory enrollment aid codes.

~~SEC. 204.~~

*SEC. 203.* Section 14091.3 of the Welfare and Institutions Code is amended to read:

14091.3. (a) For purposes of this section, the following definitions shall apply:

(1) “Medi-Cal managed care plan contracts” means those contracts entered into with the department by any individual, organization, or entity pursuant to Article 2.7 (commencing with Section 14087.3), Article 2.8 (commencing with Section 14087.5), or Article 2.91 (commencing with Section 14089) of this chapter, or Article 1 (commencing with Section 14200) or Article 7 (commencing with Section 14490) of Chapter 8, or Chapter 8.75 (commencing with Section 14591).

(2) “Medi-Cal managed care health plan” means an individual, organization, or entity operating under a Medi-Cal managed care plan contract with the department under this chapter, Chapter 8 (commencing with Section 14200), or Chapter 8.75 (commencing with Section 14591).

(b) The department shall take all appropriate steps to amend the Medicaid State Plan, if necessary, to carry out this section. This section shall be implemented only to the extent that federal financial participation is available.

(c) (1) Any hospital that does not have in effect a contract with a Medi-Cal managed care health plan, as defined in paragraph (2) of subdivision (a), that establishes payment amounts for services furnished to a beneficiary enrolled in that plan shall accept as payment in full, from all these plans, the following amounts:

(A) For outpatient services, the Medi-Cal fee-for-service (FFS) payment amounts.

(B) For emergency inpatient services, the average per diem contract rate specified in paragraph (2) of subdivision (b) of Section

1 14166.245, except that the payment amount shall not be reduced  
2 by 5 percent, until July 1, 2013, and thereafter, the average contract  
3 rate specified in Section 1396u-2(b)(2) of Title 42 of the United  
4 States Code. For the purposes of this subparagraph, this payment  
5 amount shall apply to all hospitals, including hospitals that contract  
6 with the department under the Medi-Cal Selective Provider  
7 Contracting Program described in Article 2.6 (commencing with  
8 Section 14081), and small and rural hospitals specified in Section  
9 124840 of the Health and Safety Code.

10 (C) For poststabilization services following an emergency  
11 admission, payment amounts shall be consistent with Section  
12 438.114(e) of Title 42 of the Code of Federal Regulations. This  
13 paragraph shall only be implemented to the extent that contract  
14 amendment language providing for these payments is approved  
15 by CMS. For purposes of this subparagraph, this payment amount  
16 shall apply to all hospitals, including hospitals that contract with  
17 the department under the Medi-Cal Selective Provider Contracting  
18 Program pursuant to Article 2.6 (commencing with Section 14081).

19 (2) The rates established in paragraph (1) for emergency  
20 inpatient services and poststabilization services shall remain in  
21 effect only until the department implements the payment  
22 methodology based on diagnosis-related groups pursuant to Section  
23 14105.28.

24 (3) Upon implementation of the payment methodology based  
25 on diagnosis-related groups pursuant to Section 14105.28, any  
26 hospital described in paragraph (1) shall accept as payment in full  
27 for inpatient hospital services, including both emergency inpatient  
28 services and poststabilization services related to an emergency  
29 medical condition, the payment amount established pursuant to  
30 the methodology developed under Section 14105.28.

31 (d) Medi-Cal managed care health plans that, pursuant to the  
32 department's encouragement in All Plan Letter 07003, have been  
33 paying out-of-network hospitals the most recent California Medical  
34 Assistance Commission regional average per diem rate as a  
35 temporary rate for purposes of Section 1932(b)(2)(D) of the federal  
36 Social Security Act (SSA), which became effective January 1,  
37 2007, shall make reconciliations and adjustments for all hospital  
38 payments made since January 1, 2007, based upon rates published  
39 by the department pursuant to Section 1932(b)(2)(D) of the SSA  
40 and effective January 1, 2007, to June 30, 2008, inclusive, and, if

1 applicable, provide supplemental payments to hospitals as  
2 necessary to make payments that conform with Section  
3 1932(b)(2)(D) of the SSA. In order to provide managed care health  
4 plans with 60 working days to make any necessary supplemental  
5 payments to hospitals prior to these payments becoming subject  
6 to the payment of interest, Section 1300.71 of Title 28 of the  
7 California Code of Regulations shall not apply to these  
8 supplemental payments until 30 working days following the  
9 publication by the department of the rates.

10 (e) Notwithstanding the rulemaking provisions of the  
11 Administrative Procedure Act (Chapter 3.5 (commencing with  
12 Section 11340) of Part 1 of Division 3 of Title 2 of the Government  
13 Code), the department may implement, interpret, or make specific  
14 this section and applicable federal waivers and state plan  
15 amendments by means of all-county letters, plan letters, plan or  
16 provider bulletins, or similar instructions, without taking regulatory  
17 action. Prior to issuing any letter or similar instrument authorized  
18 pursuant to this section, the department shall notify and consult  
19 with stakeholders, including advocates, providers, and  
20 beneficiaries.

21 (f) This section shall become inoperative on July 1, 2013, and,  
22 as of January 1, 2014, is repealed, unless a later enacted statute,  
23 that becomes operative on or before January 1, 2014, deletes or  
24 extends the dates on which it becomes inoperative and is repealed.

25 ~~SEC. 205.~~

26 *SEC. 204.* Section 14094.3 of the Welfare and Institutions  
27 Code is amended to read:

28 14094.3. (a) Notwithstanding this article or Section 14093.05  
29 or 14094.1, CCS covered services shall not be incorporated into  
30 any Medi-Cal managed care contract entered into after August 1,  
31 1994, pursuant to Article 2.7 (commencing with Section 14087.3),  
32 Article 2.8 (commencing with Section 14087.5), Article 2.9  
33 (commencing with Section 14088), Article 2.91 (commencing  
34 with Section 14089), Article 2.95 (commencing with Section  
35 14092); or either Article 2 (commencing with Section 14200), or  
36 Article 7 (commencing with Section 14490) of Chapter 8, until  
37 January 1, 2016, except for contracts entered into for county  
38 organized health systems or Regional Health Authority in the  
39 Counties of San Mateo, Santa Barbara, Solano, Yolo, Marin, and  
40 Napa.

(b) Notwithstanding any other provision of this chapter, providers serving children under the CCS program who are enrolled with a Medi-Cal managed care contractor but who are not enrolled in a pilot project pursuant to subdivision (c) shall continue to submit billing for CCS covered services on a fee-for-service basis until CCS covered services are incorporated into the Medi-Cal managed care contracts described in subdivision (a).

(c) (1) The department may authorize a pilot project in Solano County in which reimbursement for conditions eligible under the CCS program may be reimbursed on a capitated basis pursuant to Section 14093.05, and provided all CCS program's guidelines, standards, and regulations are adhered to, and CCS program's case management is utilized.

(2) During the time period described in subdivision (a), the department may approve, implement, and evaluate limited pilot projects under the CCS program to test alternative managed care models tailored to the special health care needs of children under the CCS program. The pilot projects may include, but need not be limited to, coverage of different geographic areas, focusing on certain subpopulations, and the employment of different payment and incentive models. Pilot project proposals from CCS program-approved providers shall be given preference. All pilot projects shall utilize CCS program-approved standards and providers pursuant to Section 14094.1.

(d) For purposes of this section, CCS covered services include all program benefits administered by the program specified in Section 123840 of the Health and Safety Code regardless of the funding source.

(e) Nothing in this section shall be construed to exclude or restrict CCS eligible children from enrollment with a managed care contractor, or from receiving from the managed care contractor with which they are enrolled primary and other health care unrelated to the treatment of the CCS eligible condition.

~~SEC. 206.~~

*SEC. 205.* Section 14132 of the Welfare and Institutions Code is amended to read:

14132. The following is the schedule of benefits under this chapter:

(a) Outpatient services are covered as follows:

1 Physician, hospital or clinic outpatient, surgical center,  
2 respiratory care, optometric, chiropractic, psychology, podiatric,  
3 occupational therapy, physical therapy, speech therapy, audiology,  
4 acupuncture to the extent federal matching funds are provided for  
5 acupuncture, and services of persons rendering treatment by prayer  
6 or healing by spiritual means in the practice of any church or  
7 religious denomination insofar as these can be encompassed by  
8 federal participation under an approved plan, subject to utilization  
9 controls.

10 (b) Inpatient hospital services, including, but not limited to,  
11 physician and podiatric services, physical therapy and occupational  
12 therapy, are covered subject to utilization controls.

13 (c) Nursing facility services, subacute care services, and services  
14 provided by any category of intermediate care facility for the  
15 developmentally disabled, including podiatry, physician, nurse  
16 practitioner services, and prescribed drugs, as described in  
17 subdivision (d), are covered subject to utilization controls.  
18 Respiratory care, physical therapy, occupational therapy, speech  
19 therapy, and audiology services for patients in nursing facilities  
20 and any category of intermediate care facility for the  
21 developmentally disabled are covered subject to utilization controls.

22 (d) (1) Purchase of prescribed drugs is covered subject to the  
23 Medi-Cal List of Contract Drugs and utilization controls.

24 (2) Purchase of drugs used to treat erectile dysfunction or any  
25 off-label uses of those drugs are covered only to the extent that  
26 federal financial participation is available.

27 (3) (A) To the extent required by federal law, the purchase of  
28 outpatient prescribed drugs, for which the prescription is executed  
29 by a prescriber in written, nonelectronic form on or after April 1,  
30 2008, is covered only when executed on a tamper resistant  
31 prescription form. The implementation of this paragraph shall  
32 conform to the guidance issued by the federal Centers of Medicare  
33 and Medicaid Services but shall not conflict with state statutes on  
34 the characteristics of tamper resistant prescriptions for controlled  
35 substances, including Section 11162.1 of the Health and Safety  
36 Code. The department shall provide providers and beneficiaries  
37 with as much flexibility in implementing these rules as allowed  
38 by the federal government. The department shall notify and consult  
39 with appropriate stakeholders in implementing, interpreting, or  
40 making specific this paragraph.

(B) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may take the actions specified in subparagraph (A) by means of a provider bulletin or notice, policy letter, or other similar instructions without taking regulatory action.

(4) (A) (i) For the purposes of this paragraph, nonlegend has the same meaning as defined in subdivision (a) of Section 14105.45.

(ii) Nonlegend acetaminophen-containing products, with the exception of children's acetaminophen-containing products, selected by the department are not covered benefits.

(iii) Nonlegend cough and cold products selected by the department are not covered benefits. This clause shall be implemented on the first day of the first calendar month following 90 days after the effective date of the act that added this clause, or on the first day of the first calendar month following 60 days after the date the department secures all necessary federal approvals to implement this section, whichever is later.

(iv) Beneficiaries under the Early and Periodic Screening, Diagnosis, and Treatment Program shall be exempt from clauses (ii) and (iii).

(B) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may take the actions specified in subparagraph (A) by means of a provider bulletin or notice, policy letter, or other similar instruction without taking regulatory action.

(e) Outpatient dialysis services and home hemodialysis services, including physician services, medical supplies, drugs and equipment required for dialysis, are covered, subject to utilization controls.

(f) Anesthesiologist services when provided as part of an outpatient medical procedure, nurse anesthetist services when rendered in an inpatient or outpatient setting under conditions set forth by the director, outpatient laboratory services, and X-ray services are covered, subject to utilization controls. Nothing in this subdivision shall be construed to require prior authorization for anesthesiologist services provided as part of an outpatient medical procedure or for portable X-ray services in a nursing facility or any category of intermediate care facility for the developmentally disabled.

1 (g) Blood and blood derivatives are covered.

2 (h) (1) Emergency and essential diagnostic and restorative  
3 dental services, except for orthodontic, fixed bridgework, and  
4 partial dentures that are not necessary for balance of a complete  
5 artificial denture, are covered, subject to utilization controls. The  
6 utilization controls shall allow emergency and essential diagnostic  
7 and restorative dental services and prostheses that are necessary  
8 to prevent a significant disability or to replace previously furnished  
9 prostheses which are lost or destroyed due to circumstances beyond  
10 the beneficiary's control. Notwithstanding the foregoing, the  
11 director may by regulation provide for certain fixed artificial  
12 dentures necessary for obtaining employment or for medical  
13 conditions that preclude the use of removable dental prostheses,  
14 and for orthodontic services in cleft palate deformities administered  
15 by the department's California Children Services Program.

16 (2) For persons 21 years of age or older, the services specified  
17 in paragraph (1) shall be provided subject to the following  
18 conditions:

19 (A) Periodontal treatment is not a benefit.

20 (B) Endodontic therapy is not a benefit except for vital  
21 pulpotomy.

22 (C) Laboratory processed crowns are not a benefit.

23 (D) Removable prosthetics shall be a benefit only for patients  
24 as a requirement for employment.

25 (E) The director may, by regulation, provide for the provision  
26 of fixed artificial dentures that are necessary for medical conditions  
27 that preclude the use of removable dental prostheses.

28 (F) Notwithstanding the conditions specified in subparagraphs  
29 (A) to (E), inclusive, the department may approve services for  
30 persons with special medical disorders subject to utilization review.

31 (3) Paragraph (2) shall become inoperative July 1, 1995.

32 (i) Medical transportation is covered, subject to utilization  
33 controls.

34 (j) Home health care services are covered, subject to utilization  
35 controls.

36 (k) Prosthetic and orthotic devices and eyeglasses are covered,  
37 subject to utilization controls. Utilization controls shall allow  
38 replacement of prosthetic and orthotic devices and eyeglasses  
39 necessary because of loss or destruction due to circumstances  
40 beyond the beneficiary's control. Frame styles for eyeglasses

1 replaced pursuant to this subdivision shall not change more than  
2 once every two years, unless the department so directs.

3 Orthopedic and conventional shoes are covered when provided  
4 by a prosthetic and orthotic supplier on the prescription of a  
5 physician and when at least one of the shoes will be attached to a  
6 prosthesis or brace, subject to utilization controls. Modification  
7 of stock conventional or orthopedic shoes when medically  
8 indicated, is covered subject to utilization controls. When there is  
9 a clearly established medical need that cannot be satisfied by the  
10 modification of stock conventional or orthopedic shoes,  
11 custom-made orthopedic shoes are covered, subject to utilization  
12 controls.

13 Therapeutic shoes and inserts are covered when provided to  
14 beneficiaries with a diagnosis of diabetes, subject to utilization  
15 controls, to the extent that federal financial participation is  
16 available.

17 (l) Hearing aids are covered, subject to utilization controls.  
18 Utilization controls shall allow replacement of hearing aids  
19 necessary because of loss or destruction due to circumstances  
20 beyond the beneficiary's control.

21 (m) Durable medical equipment and medical supplies are  
22 covered, subject to utilization controls. The utilization controls  
23 shall allow the replacement of durable medical equipment and  
24 medical supplies when necessary because of loss or destruction  
25 due to circumstances beyond the beneficiary's control. The  
26 utilization controls shall allow authorization of durable medical  
27 equipment needed to assist a disabled beneficiary in caring for a  
28 child for whom the disabled beneficiary is a parent, stepparent,  
29 foster parent, or legal guardian, subject to the availability of federal  
30 financial participation. The department shall adopt emergency  
31 regulations to define and establish criteria for assistive durable  
32 medical equipment in accordance with the rulemaking provisions  
33 of the Administrative Procedure Act (Chapter 3.5 (commencing  
34 with Section 11340) of Part 1 of Division 3 of Title 2 of the  
35 Government Code).

36 (n) Family planning services are covered, subject to utilization  
37 controls.

38 (o) Inpatient intensive rehabilitation hospital services, including  
39 respiratory rehabilitation services, in a general acute care hospital



1 are covered, subject to utilization controls, when either of the  
2 following criteria are met:

3 (1) A patient with a permanent disability or severe impairment  
4 requires an inpatient intensive rehabilitation hospital program as  
5 described in Section 14064 to develop function beyond the limited  
6 amount that would occur in the normal course of recovery.

7 (2) A patient with a chronic or progressive disease requires an  
8 inpatient intensive rehabilitation hospital program as described in  
9 Section 14064 to maintain the patient's present functional level as  
10 long as possible.

11 (p) (1) Adult day health care is covered in accordance with  
12 Chapter 8.7 (commencing with Section 14520).

13 (2) Commencing 30 days after the effective date of the act that  
14 added this paragraph, and notwithstanding the number of days  
15 previously approved through a treatment authorization request,  
16 adult day health care is covered for a maximum of three days per  
17 week.

18 (3) As provided in accordance with paragraph (4), adult day  
19 health care is covered for a maximum of five days per week.

20 (4) As of the date that the director makes the declaration  
21 described in subdivision (g) of Section 14525.1, paragraph (2)  
22 shall become inoperative and paragraph (3) shall become operative.

23 (q) (1) Application of fluoride, or other appropriate fluoride  
24 treatment as defined by the department, other prophylaxis treatment  
25 for children 17 years of age and under, are covered.

26 (2) All dental hygiene services provided by a registered dental  
27 hygienist in alternative practice pursuant to Sections 1768 and  
28 1770 of the Business and Professions Code may be covered as  
29 long as they are within the scope of Denti-Cal benefits and they  
30 are necessary services provided by a registered dental hygienist  
31 in alternative practice.

32 (r) (1) Paramedic services performed by a city, county, or  
33 special district, or pursuant to a contract with a city, county, or  
34 special district, and pursuant to a program established under Article  
35 3 (commencing with Section 1480) of Chapter 2.5 of Division 2  
36 of the Health and Safety Code by a paramedic certified pursuant  
37 to that article, and consisting of defibrillation and those services  
38 specified in subdivision (3) of Section 1482 of the article.

1 (2) All providers enrolled under this subdivision shall satisfy  
2 all applicable statutory and regulatory requirements for becoming  
3 a Medi-Cal provider.

4 (3) This subdivision shall be implemented only to the extent  
5 funding is available under Section 14106.6.

6 (s) In-home medical care services are covered when medically  
7 appropriate and subject to utilization controls, for beneficiaries  
8 who would otherwise require care for an extended period of time  
9 in an acute care hospital at a cost higher than in-home medical  
10 care services. The director shall have the authority under this  
11 section to contract with organizations qualified to provide in-home  
12 medical care services to those persons. These services may be  
13 provided to patients placed in shared or congregate living  
14 arrangements, if a home setting is not medically appropriate or  
15 available to the beneficiary. As used in this section, “in-home  
16 medical care service” includes utility bills directly attributable to  
17 continuous, 24-hour operation of life-sustaining medical equipment,  
18 to the extent that federal financial participation is available.

19 As used in this subdivision, in-home medical care services,  
20 include, but are not limited to:

21 (1) Level of care and cost of care evaluations.

22 (2) Expenses, directly attributable to home care activities, for  
23 materials.

24 (3) Physician fees for home visits.

25 (4) Expenses directly attributable to home care activities for  
26 shelter and modification to shelter.

27 (5) Expenses directly attributable to additional costs of special  
28 diets, including tube feeding.

29 (6) Medically related personal services.

30 (7) Home nursing education.

31 (8) Emergency maintenance repair.

32 (9) Home health agency personnel benefits which permit  
33 coverage of care during periods when regular personnel are on  
34 vacation or using sick leave.

35 (10) All services needed to maintain antiseptic conditions at  
36 stoma or shunt sites on the body.

37 (11) Emergency and nonemergency medical transportation.

38 (12) Medical supplies.

39 (13) Medical equipment, including, but not limited to, scales,  
40 gurneys, and equipment racks suitable for paralyzed patients.

1 (14) Utility use directly attributable to the requirements of home  
2 care activities which are in addition to normal utility use.

3 (15) Special drugs and medications.

4 (16) Home health agency supervision of visiting staff which is  
5 medically necessary, but not included in the home health agency  
6 rate.

7 (17) Therapy services.

8 (18) Household appliances and household utensil costs directly  
9 attributable to home care activities.

10 (19) Modification of medical equipment for home use.

11 (20) Training and orientation for use of life-support systems,  
12 including, but not limited to, support of respiratory functions.

13 (21) Respiratory care practitioner services as defined in Sections  
14 3702 and 3703 of the Business and Professions Code, subject to  
15 prescription by a physician and surgeon.

16 Beneficiaries receiving in-home medical care services are entitled  
17 to the full range of services within the Medi-Cal scope of benefits  
18 as defined by this section, subject to medical necessity and  
19 applicable utilization control. Services provided pursuant to this  
20 subdivision, which are not otherwise included in the Medi-Cal  
21 schedule of benefits, shall be available only to the extent that  
22 federal financial participation for these services is available in  
23 accordance with a home- and community-based services waiver.

24 (t) Home- and community-based services approved by the  
25 United States Department of Health and Human Services may be  
26 covered to the extent that federal financial participation is available  
27 for those services under waivers granted in accordance with Section  
28 1396n of Title 42 of the United States Code. The director may  
29 seek waivers for any or all home- and community-based services  
30 approvable under Section 1396n of Title 42 of the United States  
31 Code. Coverage for those services shall be limited by the terms,  
32 conditions, and duration of the federal waivers.

33 (u) Comprehensive perinatal services, as provided through an  
34 agreement with a health care provider designated in Section  
35 14134.5 and meeting the standards developed by the department  
36 pursuant to Section 14134.5, subject to utilization controls.

37 The department shall seek any federal waivers necessary to  
38 implement the provisions of this subdivision. The provisions for  
39 which appropriate federal waivers cannot be obtained shall not be  
40 implemented. Provisions for which waivers are obtained or for

1 which waivers are not required shall be implemented  
2 notwithstanding any inability to obtain federal waivers for the  
3 other provisions. No provision of this subdivision shall be  
4 implemented unless matching funds from Subchapter XIX  
5 (commencing with Section 1396) of Chapter 7 of Title 42 of the  
6 United States Code are available.

7 (v) Early and periodic screening, diagnosis, and treatment for  
8 any individual under 21 years of age is covered, consistent with  
9 the requirements of Subchapter XIX (commencing with Section  
10 1396) of Chapter 7 of Title 42 of the United States Code.

11 (w) Hospice service which is Medicare-certified hospice service  
12 is covered, subject to utilization controls. Coverage shall be  
13 available only to the extent that no additional net program costs  
14 are incurred.

15 (x) When a claim for treatment provided to a beneficiary  
16 includes both services which are authorized and reimbursable  
17 under this chapter, and services which are not reimbursable under  
18 this chapter, that portion of the claim for the treatment and services  
19 authorized and reimbursable under this chapter shall be payable.

20 (y) Home- and community-based services approved by the  
21 United States Department of Health and Human Services for  
22 beneficiaries with a diagnosis of AIDS or ARC, who require  
23 intermediate care or a higher level of care.

24 Services provided pursuant to a waiver obtained from the  
25 Secretary of the United States Department of Health and Human  
26 Services pursuant to this subdivision, and which are not otherwise  
27 included in the Medi-Cal schedule of benefits, shall be available  
28 only to the extent that federal financial participation for these  
29 services is available in accordance with the waiver, and subject to  
30 the terms, conditions, and duration of the waiver. These services  
31 shall be provided to individual beneficiaries in accordance with  
32 the client's needs as identified in the plan of care, and subject to  
33 medical necessity and applicable utilization control.

34 The director may under this section contract with organizations  
35 qualified to provide, directly or by subcontract, services provided  
36 for in this subdivision to eligible beneficiaries. Contracts or  
37 agreements entered into pursuant to this division shall not be  
38 subject to the Public Contract Code.

39 (z) Respiratory care when provided in organized health care  
40 systems as defined in Section 3701 of the Business and Professions

1 Code, and as an in-home medical service as outlined in subdivision  
2 (s).

3 (aa) (1) There is hereby established in the department, a  
4 program to provide comprehensive clinical family planning  
5 services to any person who has a family income at or below 200  
6 percent of the federal poverty level, as revised annually, and who  
7 is eligible to receive these services pursuant to the waiver identified  
8 in paragraph (2). This program shall be known as the Family  
9 Planning, Access, Care, and Treatment (Family PACT) Program.

10 (2) The department shall seek a waiver in accordance with  
11 Section 1315 of Title 42 of the United States Code, or a state plan  
12 amendment adopted in accordance with Section  
13 1396a(a)(10)(A)(ii)(XXI)(ii)(2) of Title 42 of the United States  
14 Code, which was added to Section 1396a of Title 42 of the United  
15 States Code by Section 2303(a)(2) of the federal Patient Protection  
16 and Affordable Care Act (PPACA) (Public Law 111-148), for a  
17 program to provide comprehensive clinical family planning  
18 services as described in paragraph (8). Under the waiver, the  
19 program shall be operated only in accordance with the waiver and  
20 the statutes and regulations in paragraph (4) and subject to the  
21 terms, conditions, and duration of the waiver. Under the state plan  
22 amendment, which shall replace the waiver and shall be known as  
23 the Family PACT successor state plan amendment, the program  
24 shall be operated only in accordance with this subdivision and the  
25 statutes and regulations in paragraph (4). The state shall use the  
26 standards and processes imposed by the state on January 1, 2007,  
27 including the application of an eligibility discount factor to the  
28 extent required by the federal Centers for Medicare and Medicaid  
29 Services, for purposes of determining eligibility as permitted under  
30 Section 1396a(a)(10)(A)(ii)(XXI)(ii)(2) of Title 42 of the United  
31 States Code. To the extent that federal financial participation is  
32 available, the program shall continue to conduct education,  
33 outreach, enrollment, service delivery, and evaluation services as  
34 specified under the waiver. The services shall be provided under  
35 the program only if the waiver and, when applicable, the successor  
36 state plan amendment are approved by the federal Centers for  
37 Medicare and Medicaid Services and only to the extent that federal  
38 financial participation is available for the services. Nothing in this  
39 section shall prohibit the department from seeking the Family

1 PACT successor state plan amendment during the operation of the  
2 waiver.

3 (3) Solely for the purposes of the waiver or Family PACT  
4 successor state plan amendment and notwithstanding any other  
5 provision of law, the collection and use of an individual's social  
6 security number shall be necessary only to the extent required by  
7 federal law.

8 (4) Sections 14105.3 to 14105.39, inclusive, 14107.11, 24005,  
9 and 24013, and any regulations adopted under these statutes shall  
10 apply to the program provided for under this subdivision. No other  
11 provision of law under the Medi-Cal program or the State-Only  
12 Family Planning Program shall apply to the program provided for  
13 under this subdivision.

14 (5) Notwithstanding Chapter 3.5 (commencing with Section  
15 11340) of Part 1 of Division 3 of Title 2 of the Government Code,  
16 the department may implement, without taking regulatory action,  
17 the provisions of the waiver after its approval by the federal Health  
18 Care Financing Administration and the provisions of this section  
19 by means of an all-county letter or similar instruction to providers.  
20 Thereafter, the department shall adopt regulations to implement  
21 this section and the approved waiver in accordance with the  
22 requirements of Chapter 3.5 (commencing with Section 11340) of  
23 Part 1 of Division 3 of Title 2 of the Government Code.

24 (6) In the event that the Department of Finance determines that  
25 the program operated under the authority of the waiver described  
26 in paragraph (2) or the Family PACT successor state plan  
27 amendment is no longer cost effective, this subdivision shall  
28 become inoperative on the first day of the first month following  
29 the issuance of a 30-day notification of that determination in  
30 writing by the Department of Finance to the chairperson in each  
31 house that considers appropriations, the chairpersons of the  
32 committees, and the appropriate subcommittees in each house that  
33 considers the State Budget, and the Chairperson of the Joint  
34 Legislative Budget Committee.

35 (7) If this subdivision ceases to be operative, all persons who  
36 have received or are eligible to receive comprehensive clinical  
37 family planning services pursuant to the waiver described in  
38 paragraph (2) shall receive family planning services under the  
39 Medi-Cal program pursuant to subdivision (n) if they are otherwise  
40 eligible for Medi-Cal with no share of cost, or shall receive

1 comprehensive clinical family planning services under the program  
2 established in Division 24 (commencing with Section 24000) either  
3 if they are eligible for Medi-Cal with a share of cost or if they are  
4 otherwise eligible under Section 24003.

5 (8) For purposes of this subdivision, “comprehensive clinical  
6 family planning services” means the process of establishing  
7 objectives for the number and spacing of children, and selecting  
8 the means by which those objectives may be achieved. These  
9 means include a broad range of acceptable and effective methods  
10 and services to limit or enhance fertility, including contraceptive  
11 methods, federal Food and Drug Administration approved  
12 contraceptive drugs, devices, and supplies, natural family planning,  
13 abstinence methods, and basic, limited fertility management.  
14 Comprehensive clinical family planning services include, but are  
15 not limited to, preconception counseling, maternal and fetal health  
16 counseling, general reproductive health care, including diagnosis  
17 and treatment of infections and conditions, including cancer, that  
18 threaten reproductive capability, medical family planning treatment  
19 and procedures, including supplies and followup, and  
20 informational, counseling, and educational services.  
21 Comprehensive clinical family planning services shall not include  
22 abortion, pregnancy testing solely for the purposes of referral for  
23 abortion or services ancillary to abortions, or pregnancy care that  
24 is not incident to the diagnosis of pregnancy. Comprehensive  
25 clinical family planning services shall be subject to utilization  
26 control and include all of the following:

27 (A) Family planning related services and male and female  
28 sterilization. Family planning services for men and women shall  
29 include emergency services and services for complications directly  
30 related to the contraceptive method, federal Food and Drug  
31 Administration approved contraceptive drugs, devices, and  
32 supplies, and followup, consultation, and referral services, as  
33 indicated, which may require treatment authorization requests.

34 (B) All United States Department of Agriculture, federal Food  
35 and Drug Administration approved contraceptive drugs, devices,  
36 and supplies that are in keeping with current standards of practice  
37 and from which the individual may choose.

38 (C) Culturally and linguistically appropriate health education  
39 and counseling services, including informed consent, that include  
40 all of the following:

- 1 (i) Psychosocial and medical aspects of contraception.
- 2 (ii) Sexuality.
- 3 (iii) Fertility.
- 4 (iv) Pregnancy.
- 5 (v) Parenthood.
- 6 (vi) Infertility.
- 7 (vii) Reproductive health care.
- 8 (viii) Preconception and nutrition counseling.
- 9 (ix) Prevention and treatment of sexually transmitted infection.
- 10 (x) Use of contraceptive methods, federal Food and Drug
- 11 Administration approved contraceptive drugs, devices, and
- 12 supplies.
- 13 (xi) Possible contraceptive consequences and followup.
- 14 (xii) Interpersonal communication and negotiation of
- 15 relationships to assist individuals and couples in effective
- 16 contraceptive method use and planning families.
- 17 (D) A comprehensive health history, updated at the next periodic
- 18 visit (between 11 and 24 months after initial examination) that
- 19 includes a complete obstetrical history, gynecological history,
- 20 contraceptive history, personal medical history, health risk factors,
- 21 and family health history, including genetic or hereditary
- 22 conditions.
- 23 (E) A complete physical examination on initial and subsequent
- 24 periodic visits.
- 25 (F) Services, drugs, devices, and supplies deemed by the federal
- 26 Centers for Medicare and Medicaid Services to be appropriate for
- 27 inclusion in the program.
- 28 (9) In order to maximize the availability of federal financial
- 29 participation under this subdivision, the director shall have the
- 30 discretion to implement the Family PACT successor state plan
- 31 amendment retroactively to July 1, 2010.
- 32 (ab) (1) Purchase of prescribed enteral nutrition products is
- 33 covered, subject to the Medi-Cal list of enteral nutrition products
- 34 and utilization controls.
- 35 (2) Purchase of enteral nutrition products is limited to those
- 36 products to be administered through a feeding tube, including, but
- 37 not limited to, a gastric, nasogastric, or jejunostomy tube.
- 38 Beneficiaries under the Early and Periodic Screening, Diagnosis,
- 39 and Treatment Program shall be exempt from this paragraph.



(3) Notwithstanding paragraph (2), the department may deem an enteral nutrition product, not administered through a feeding tube, including, but not limited to, a gastric, nasogastric, or jejunostomy tube, a benefit for patients with diagnoses, including, but not limited to, malabsorption and inborn errors of metabolism, if the product has been shown to be neither investigational nor experimental when used as part of a therapeutic regimen to prevent serious disability or death.

(4) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may implement the amendments to this subdivision made by the act that added this paragraph by means of all-county letters, provider bulletins, or similar instructions, without taking regulatory action.

(5) The amendments made to this subdivision by the act that added this paragraph shall be implemented June 1, 2011, or on the first day of the first calendar month following 60 days after the date the department secures all necessary federal approvals to implement this section, whichever is later.

(ac) Diabetic testing supplies are covered when provided by a pharmacy, subject to utilization controls.

~~SEC. 207.~~

*SEC. 206.* Section 14133.9 of the Welfare and Institutions Code is amended to read:

14133.9. The implementation of prior authorization permitted by subdivision (a) of Section 14133 shall be subject to all of the following provisions:

(a) The department shall secure a toll free phone number for the use of providers of Medi-Cal services listed in Section 14132. For providers, the department shall provide access to an individual knowledgeable in the program to provide Medi-Cal providers with information regarding available services. Access shall include a toll-free phone number that provides reasonable access to that person. The number shall be operated 24 hours a day, seven days a week.

(b) For major categories of treatment subject to prior authorization, the department shall publicize and continue to develop its list of objective medical criteria that indicate when authorization should be granted. Any request meeting these criteria,

1 as determined by the department, shall be approved, or deferred  
2 as authorized in subdivision (e) by specific medical information.

3 (c) The objective medical criteria required by subdivision (d)  
4 shall be adopted and published in accordance with the  
5 Administrative Procedure Act, and shall be made available at  
6 appropriate cost.

7 (d) When a proposed treatment meets objective medical criteria,  
8 and is not contraindicated, authorization for the treatment shall be  
9 provided within an average of five working days. When a treatment  
10 authorization request is not subject to objective medical criteria,  
11 a decision on medical necessity shall be made by a professional  
12 medical employee or contractor of the department within an  
13 average of five working days.

14 (e) Notwithstanding the provisions of subdivisions (c) and (d),  
15 the department shall adopt, by emergency regulations as provided  
16 by this subdivision, a list of elective services that the director  
17 determines may be nonurgent. In determining these services, the  
18 department shall be guided by commonly accepted medical practice  
19 parameters. Authorization for these services may be deferred for  
20 a period of up to 90 days. In making determinations regarding  
21 these referrals, the department may use criteria separate from, or  
22 in addition to, those specified in subdivision (c). These deferrals  
23 shall be determined through the treatment authorization request  
24 process. When a proposed service is on the list of elective services  
25 that the director determines may be considered nonurgent,  
26 authorization for the service shall be granted or deferred within  
27 an average of 10 working days. The State Department of Health  
28 Services may adopt emergency regulations to implement this  
29 subdivision in accordance with the Administrative Procedure Act  
30 (Chapter 3.5 (commencing with Section 11340) of Part 1 of  
31 Division 3 of Title 2 of the Government Code). The initial adoption  
32 of emergency regulations and one readoption of the initial  
33 regulations shall be deemed to be an emergency and necessary for  
34 the immediate preservation of the public peace, health and safety  
35 or general welfare. Initial emergency regulations and the first  
36 readoption of those regulations shall be exempt from review by  
37 the Office of Administrative Law. The emergency regulations  
38 authorized by this subdivision shall be submitted to the Office of  
39 Administrative Law for filing with the Secretary of State and

publication in the California Code of Regulations and shall remain in effect for no more than 120 days.

(f) Final decisions of the department on denial of requests for prior authorization for inpatient acute hospital care shall be reviewable upon request of a provider by a Professional Standards Review Organization established pursuant to Public Law 92-603, or a successor organization if either of the following applies:

(1) The original decision on the request was not performed by a Professional Standards Review Organization, or its successor organization.

(2) The original decision on the request was performed by a Professional Standards Review Organization, or its successor organization, and the original decision was reversed by the department. The department shall contract with one or more of these organizations to, among other things, perform the review function required by this subdivision. The review performed by the contracting organization shall result in a finding that the department's decision is either appropriate or unjustified, in accordance with existing law, regulation, and medical criteria. The cost of each review shall be borne by the party that does not prevail.

The decision of this body shall be reviewable by civil action.

(g) This section, and any amendments made to Section 14103.6 by Assembly Bill 2254 of the 1985–86 Regular Legislative Session, shall not apply to treatment or services provided under contracts awarded by the department under which the contractor agrees to assume the risk of utilization or costs of services.

~~SEC. 208.~~

*SEC. 207.* Section 14161 of the Welfare and Institutions Code is amended to read:

14161. Carriers and providers of Medi-Cal benefits shall be required to utilize uniform accounting and cost-reporting systems as shall be developed and adopted by the department. If any other provision of law provides for uniform accounting and cost-reporting systems for hospitals, the department shall adopt these systems.

Carriers and providers of Medi-Cal benefits shall provide cost information to the department as is necessary in order to conduct studies to determine payment for services provided under this chapter, including but not limited to copies of any Medicare cost reports and settlements, and any Medicare audit reports.

1 Failure to comply with the provisions of this section shall be  
2 cause for suspension from participation under this chapter.

3 The department shall conduct such studies as necessary to  
4 determine payments for services provided under this chapter.

5 ~~SEC. 209.~~

6 *SEC. 208.* Section 14521.1 of the Welfare and Institutions  
7 Code is amended to read:

8 14521.1. If a conflict exists between existing regulations and  
9 adult day health care laws in effect on and after January 1, 2007,  
10 the department shall, until new regulations are adopted, issue  
11 guidance to adult day health care providers through provider  
12 bulletins to clarify the adult day health care laws and regulations  
13 that are in effect.

14 ~~SEC. 210.~~

15 *SEC. 209.* Section 14701 of the Welfare and Institutions Code  
16 is amended to read:

17 14701. (a) The State Department of Health Care Services, in  
18 collaboration with the State Department of Mental Health and the  
19 California Health and Human Services Agency, shall create a state  
20 administrative and programmatic transition plan, either as one  
21 comprehensive transition plan or separately, to guide the transfer  
22 of the Medi-Cal specialty mental health managed care and the  
23 EPSDT Program to the State Department of Health Care Services  
24 effective July 1, 2012.

25 (1) Commencing no later than July 15, 2011, the State  
26 Department of Health Care Services, together with the State  
27 Department of Mental Health, shall convene a series of stakeholder  
28 meetings and forums to receive input from clients, family members,  
29 providers, counties, and representatives of the Legislature  
30 concerning the transition and transfer of Medi-Cal specialty mental  
31 health managed care and the EPSDT Program. This consultation  
32 shall inform the creation of a state administrative transition plan  
33 and a programmatic transition plan that shall include, but is not  
34 limited to, the following components:

35 (A) Plan shall ensure it is developed in a way that continues  
36 access and quality of service during and immediately after the  
37 transition, preventing any disruption of services to clients and  
38 family members, providers and counties and others affected by  
39 this transition.

1 (B) A detailed description of the state administrative functions  
2 currently performed by the State Department of Mental Health  
3 regarding Medi-Cal specialty mental health managed care and the  
4 EPSDT Program.

5 (C) Explanations of the operational steps, timelines, and key  
6 milestones for determining when and how each function or program  
7 will be transferred. These explanations shall also be developed for  
8 the transition of positions and staff serving Medi-Cal specialty  
9 mental health managed care and the EPSDT Program, and how  
10 these will relate to, and align with, positions at the State  
11 Department of Health Care Services. The State Department of  
12 Health Care Services and the California Health and Human  
13 Services Agency shall consult with the Department of Personnel  
14 Administration in developing this aspect of the transition plan.

15 (D) A list of any planned or proposed changes or efficiencies  
16 in how the functions will be performed, including the anticipated  
17 fiscal and programmatic impacts of the changes.

18 (E) A detailed organization chart that reflects the planned  
19 staffing at the State Department of Health Care Services in light  
20 of the requirements of subparagraphs (A) through (C) and includes  
21 focused, high-level leadership for behavioral health issues.

22 (F) A description of how stakeholders were included in the  
23 various phases of the planning process to formulate the transition  
24 plans and a description of how their feedback will be taken into  
25 consideration after transition activities are underway.

26 (2) The State Department of Health Care Services, together with  
27 the State Department of Mental Health and the California Health  
28 and Human Services Agency, shall convene and consult with  
29 stakeholders at least twice following production of a draft of the  
30 transition plans and before submission of transition plans to the  
31 Legislature. Continued consultation with stakeholders shall occur  
32 in accordance with the requirement in subparagraph (F) of  
33 paragraph (1).

34 ~~SEC. 211.~~

35 *SEC. 210.* Section 18901.2 of the Welfare and Institutions  
36 Code is amended to read:

37 18901.2. (a) It is the intent of the Legislature to create a  
38 program in California that provides a nominal Low-Income Home  
39 Energy Assistance Program (LIHEAP) service benefit, through  
40 the LIHEAP block grant, to all recipient households of CalFresh

1 so that they are made aware of services available under LIHEAP  
2 and so that some households may experience an increase in federal  
3 Supplemental Nutrition Assistance Program benefits, as well as  
4 benefit from paperwork reduction.

5 (b) To the extent permitted by federal law, the State Department  
6 of Social Services (DSS) shall, in conjunction with the Department  
7 of Community Services and Development (CSD), design,  
8 implement, and maintain a utility assistance initiative: the “Heat  
9 and Eat” program.

10 (1) The nominal LIHEAP service benefit shall be funded through  
11 the LIHEAP block grant provided by the CSD to the DSS upon  
12 receipt by the CSD of the LIHEAP block grant funds from the  
13 federal funding authorities.

14 (2) The total amount transferred shall be the product of the  
15 nominal LIHEAP service benefit established by the CSD in the  
16 LIHEAP state plan multiplied by the number of CalFresh recipient  
17 households as agreed upon annually by the CSD and the DSS.

18 (3) The total amount transferred shall be reduced by any  
19 unexpended or reinvested amounts remaining from prior transfers  
20 for the nominal LIHEAP service benefits as provided in  
21 subparagraph (C) of paragraph (1) of subdivision (c).

22 (c) In implementing and maintaining the utility assistance  
23 initiative, the State Department of Social Services shall do all of  
24 the following:

25 (1) (A) Grant all recipient households of CalFresh benefits  
26 pursuant to this chapter a nominal LIHEAP service benefit out of  
27 the federal LIHEAP block grant (42 U.S.C. Sec. 8261 et seq.).

28 (B) In establishing the nominal LIHEAP service benefit amount,  
29 the department shall take into consideration that the benefit level  
30 need not provide significant utility assistance.

31 (C) Any funds allocated for this purpose not expended by  
32 CalFresh recipient households shall be recouped through the “Heat  
33 and Eat” program and reinvested into the program on an annual  
34 basis as determined by both departments.

35 (2) Provide the nominal LIHEAP service benefit without  
36 requiring the applicant or recipient to provide additional paperwork  
37 or verification.

38 (3) To the extent permitted by federal law and to the extent  
39 federal funds are available, provide the nominal LIHEAP service  
40 benefit annually to each recipient of CalFresh benefits.

1 (4) Deliver the nominal LIHEAP service benefit using the  
2 Electronic Benefit Transfer (EBT) system or other nonpaper  
3 delivery system.

4 (5) Ensure that receipt of the nominal LIHEAP service benefit  
5 pursuant to this section shall not disqualify the applicant or  
6 recipient of CalFresh benefits from receiving other nominal  
7 LIHEAP service benefits or other utility benefits for which they  
8 qualify.

9 (d) Recipients of the nominal LIHEAP service benefit pursuant  
10 to this section shall remain subject to the additional eligibility  
11 requirements for LIHEAP assistance as outlined in the California  
12 LIHEAP state plan, developed by the CSD.

13 (e) To the extent permitted by federal law, a CalFresh household  
14 receiving or anticipating receipt of nominal LIHEAP service  
15 benefits pursuant to the utility assistance initiative or any other  
16 law shall be entitled to use the full standard utility allowance (SUA)  
17 for the purposes of calculating CalFresh benefits. A CalFresh  
18 household shall be entitled to use the full SUA regardless of  
19 whether the nominal LIHEAP service benefit is actually redeemed.

20 (f) The department shall implement the initiative by January 1,  
21 2013.

22 ~~SEC. 212.~~

23 *SEC. 211.* Section 18993.8 of the Welfare and Institutions  
24 Code is amended to read:

25 18993.8. The department shall conduct a statewide independent  
26 evaluation of the program, assessing the program's effectiveness  
27 in achieving stated outcomes as established by the department.  
28 The evaluation shall be performed only when for this purpose  
29 funds are appropriated in the annual Budget Act.

30 ~~SEC. 213.~~

31 *SEC. 212.* Section 19106 of the Welfare and Institutions Code  
32 is repealed.

33 ~~SEC. 214.~~ Section 2 of Chapter 1133 of the Statutes of 1984  
34 is amended to read:

35 ~~Sec. 2.~~ The Legislature finds and declares that the approval by  
36 the electors of the County Jail Capital Expenditure Bond Act of  
37 1984 has made new funds available for county jail capital  
38 expenditures in addition to those available from the County Jail  
39 Capital Expenditure Bond Act of 1981, and has made necessary  
40 certain revisions in the criteria and fund allocations adopted by

1 the Board of Corrections for the distribution of proceeds of bonds  
2 authorized by the 1981 act. The Legislature further declares that  
3 it would be most efficient and appropriate if funds from both bond  
4 acts are allocated under uniform criteria applicable to both acts.  
5 Therefore, the Legislature hereby appropriates money in the County  
6 Jail Capital Expenditure Fund established by Section 4462 of the  
7 Penal Code to the Board of Corrections for allocation as provided  
8 by this act, and directs the Board of Corrections to allocate all  
9 money in the County Jail Capital Expenditure Fund established  
10 by Section 4412 of the Penal Code and appropriated by the Budget  
11 Act of 1984 for the fiscal year as provided by this act.

12 *SEC. 213. Section 2 of Chapter 1133 of the Statutes of 1984,*  
13 *as, which amended Section 3 of the Statutes of 1984, is amended*  
14 *to read:*

15 Sec. 2. Pursuant to its authority to examine factors for the  
16 distribution of proceeds of bonds authorized by the County Jail  
17 Capital Expenditure Bond Act of 1981 (Title 4.5 (commencing  
18 with Section 4400) of Part 3 of the Penal Code) as set forth in  
19 Section 4415 of the Penal Code, and pursuant to its authority to  
20 establish criteria for the availability of funds pursuant to the County  
21 Jail Capital Expenditure Bond Act of 1984 (Title 4.6 (commencing  
22 with Section 4450) of Part 3, Penal Code) as set forth in Section  
23 4465 of the Penal Code, the Legislature establishes the following  
24 plan for the allocation of funds in the County Jail Capital  
25 Expenditure Fund established by Section 4412 of the Penal Code  
26 and the County Jail Capital Expenditure Fund established by  
27 Section 4462 of the Penal Code:

28 (a) Each county shall be required to pay 25 percent of the  
29 eligible project costs of its projects. However, the Director of  
30 Finance, after conferring with the Board of Corrections, has the  
31 authority to waive all or a portion of a county's match if the  
32 director concludes that a savings will result to the state from a  
33 county's not taking all of its maximum augmented allocation as  
34 set forth in subdivision (d), and as long as this does not result in  
35 the board being unable to fund any county's allocations under  
36 subdivision (c). The director may approve a match reduction on  
37 terms that he or she deems appropriate.

38 For the purposes of this section, "eligible project costs" shall  
39 mean those reasonable and necessary costs attendant to the  
40 construction of local jails, as may be defined by regulation by the



1 Board of Corrections, as set forth in Sections 512 and 514 of Title  
2 15 of the California Administrative Code, as it may be amended  
3 from time to time.

4 (b) The Board of Corrections shall enter into contracts for  
5 funding of projects approved by the board when the county is ready  
6 to proceed with construction. The county shall be deemed ready  
7 to proceed when it has done all of the following:

8 (1) Filed a final notice of determination on its environmental  
9 impact report.

10 (2) Certified that the county owns or has assured long-term  
11 possession of the site for the construction project.

12 (3) Received approval for compliance with minimum jail  
13 standards by the Board of Corrections and for compliance with  
14 fire safety regulations by the State Fire Marshal of the plans,  
15 specifications, and working drawings for the facility to be  
16 constructed or renovated.

17 (4) Received written approval from the board for any substantial  
18 revision of its statement of jail needs or planned construction.

19 (5) Received construction bids from contractors.

20 Construction shall be initiated within a reasonable time after the  
21 receipt of bids and shall proceed expeditiously, or the contract  
22 between the State of California and the county shall become void.  
23 The Board of Corrections shall by regulation, define what shall be  
24 a reasonable time for this purpose.

25 If the board concludes that a county's proposed construction or  
26 renovation contains serious design deficiencies which, while they  
27 would not require a refusal to enter into the contract, would  
28 seriously impair the facility's functions, it shall notify the sheriff  
29 and the board of supervisors of that county of the deficiencies at  
30 least one month prior to entering into a contract with that county.  
31 This letter shall be a public record.

32 The Board of Corrections shall not enter into contracts for  
33 amounts which would, if encumbered, exceed the balance  
34 remaining in both County Jail Capital Expenditure Funds  
35 established by Sections 4412 and 4462 of the Penal Code. The  
36 Board of Corrections shall administer and disburse funds under  
37 this act pursuant to its existing rules and regulations, as they may  
38 be amended from time to time, which are not inconsistent with  
39 this act.

Nothing in this act shall be deemed to forbid fast track construction procedures. At the county's request, the Board of Corrections shall enter into contractual commitments for the amount authorized in subdivision (c) when a county employing fast track procedures begins the initial construction phase. However, the Board of Corrections may make these full contractual commitments contingent upon necessary subsequent approvals of plans and specifications, as identified in this subdivision, and upon timely completion of phased construction. The Board of Corrections shall require environmental impact and site ownership or long term occupancy certifications, as identified in this subdivision, prior to entering into contractual commitments.

(c) The following projects shall be funded, subject to the provisions of this act, up to the maximum for each county as set forth in this subdivision.

Each county is assured the amount necessary to complete its project or projects as approved by the board as outlined in this subdivision, up to the maximum amount listed in this subdivision. Unexpended funds, due to lower construction costs, revisions or reduction in plans, or other changes mutually agreed upon by the county and the board, shall revert to the County Jail Capital Expenditure Fund for use in funding other projects of other counties provided for in this subdivision until all counties are provided for.

(1) The 27 county projects listed below for which the Board of Corrections in its allocation of February 16, 1984, pursuant to the County Jail Capital Expenditure Bond Act of 1981, approved an allocation of one million dollars (\$1,000,000) or less for each county shall be authorized to be funded up to the following approved allocation:

|                 |              |
|-----------------|--------------|
| Butte .....     | \$ 1,000,000 |
| Calaveras ..... | 283,383      |
| Del Norte ..... | 125,000      |
| Glenn .....     | 1,000,000    |
| Humboldt .....  | 471,067      |
| Inyo .....      | 1,000,000    |
| Marin .....     | 857,886      |
| Mariposa .....  | 250,670      |
| Mendocino ..... | 1,000,000    |
| Mono .....      | 1,000,000    |

|    |                       |           |
|----|-----------------------|-----------|
| 1  | Monterey .....        | 959,475   |
| 2  | Napa .....            | 1,000,000 |
| 3  | Nevada .....          | 900,200   |
| 4  | Placer .....          | 736,275   |
| 5  | Plumas .....          | 900,000   |
| 6  | San Benito .....      | 100,000   |
| 7  | San Francisco .....   | 1,000,000 |
| 8  | San Joaquin .....     | 1,000,000 |
| 9  | San Luis Obispo ..... | 487,707   |
| 10 | Santa barbara .....   | 1,000,000 |
| 11 | Santa Cruz .....      | 340,500   |
| 12 | Sierra .....          | 125,000   |
| 13 | Siskiyou .....        | 1,000,000 |
| 14 | Sonoma .....          | 1,000,000 |
| 15 | Stnaislaus .....      | 933,000   |
| 16 | Tuolumne .....        | 922,100   |
| 17 | Yuba .....            | 355,233   |

18

19 (2) For the counties specified in this paragraph, the Board of  
 20 Corrections shall determine for each county which project is the  
 21 first priority project for the county based upon projects submitted  
 22 by those counties to the board in 1983. Each of the following  
 23 counties shall be funded up to the following allocation for its first  
 24 priority project:

25

|    |                 |               |
|----|-----------------|---------------|
| 26 | El Dorado ..... | \$ 11,194,500 |
| 27 | Fresno .....    | 26,532,476    |
| 28 | Kern .....      | 23,913,886    |
| 29 | Kings .....     | 1,697,200     |
| 30 | Merced .....    | 3,805,296     |
| 31 | Riverside ..... | 29,500,000    |
| 32 | San Diego ..... | 19,227,226    |

33

34 (3) Each of the following counties shall be funded up to the  
 35 following allocation for the first priority project or first-priority  
 36 projects submitted by it to the Board of Corrections in 1983:

37

|    |                    |               |
|----|--------------------|---------------|
| 38 | Alameda .....      | \$ 84,100,000 |
| 39 | Contra Costa ..... | 36,570,521    |
| 40 | Los Angeles .....  | 96,000,000    |

|   |                   |            |
|---|-------------------|------------|
| 1 | Madera .....      | 8,512,500  |
| 2 | Orange .....      | 50,193,087 |
| 3 | Sacramento .....  | 62,025,000 |
| 4 | San Mateo .....   | 8,178,100  |
| 5 | Santa Clara ..... | 46,014,000 |
| 6 | Solano .....      | 19,677,000 |
| 7 | Tulare .....      | 17,079,300 |
| 8 | Ventura .....     | 5,480,795  |
| 9 | Yolo .....        | 9,892,500  |

10

11 Because two projects submitted by Los Angeles County are  
 12 considered first-priority projects in meeting that county's critical  
 13 jail needs, both shall be deemed first-priority projects under this  
 14 definition. The same shall apply to the three projects submitted by  
 15 San Mateo County.

16 (4) Funding for San Bernardino County shall be determined  
 17 after that county submits its application for its first-priority project  
 18 and after that county's application has been examined using the  
 19 same guidelines applied to the applications of counties listed in  
 20 paragraphs (1), (2), and (3) which were submitted to the Board of  
 21 Corrections in November of 1983. San Bernardino County shall  
 22 have a maximum authorization of fifteen million dollars  
 23 (\$15,000,000).

24 (5) Lake County and Lassen County shall follow the same  
 25 procedure set forth in paragraph (4) and shall be permitted to apply  
 26 for funding not to exceed one million dollars (\$1,000,000) each.

27 (6) Funding of up to three million four hundred eighty-nine  
 28 thousand three hundred thirty-eight dollars (\$3,489,338) is  
 29 authorized, subject to annual Budget Act appropriations, for any  
 30 costs associated with the sale of bonds and any administrative costs  
 31 incurred by the Board of Corrections.

32 (d) In addition to the allocations required by subdivision (c),  
 33 the Board of Corrections is authorized to make additional  
 34 allocations to projects included in the 1983 application or new  
 35 application of counties specified in paragraphs (4) and (5) of  
 36 subdivision (c) and to counties specified in this subdivision if the  
 37 allocations would not result in any counties not receiving their  
 38 allocations required under subdivision (c), subject to the  
 39 requirements of subdivision (f), but in no case shall the total  
 40 allocation exceed the following amounts:

|    |                                     |
|----|-------------------------------------|
| 1  | (1) Large County Projects: Maximum  |
| 2  | Augmented Allocation If Extra Funds |
| 3  | Become Available                    |
| 4  | Alameda .....\$ 84,100,000          |
| 5  | Contra Costa .....36,600,000        |
| 6  | El Dorado .....17,500,000           |
| 7  | Fresno .....28,200,00               |
| 8  | Kern .....26,500,000                |
| 9  | Kings .....2,400,000                |
| 10 | Los Angeles .....148,800,000        |
| 11 | Madera .....8,513,000               |
| 12 | Merced .....4,200,000               |
| 13 | Orange .....50,200,000              |
| 14 | Riverside .....31,542,000           |
| 15 | Sacramento .....62,025,000          |
| 16 | San Bernardino .....30,000,000      |
| 17 | San Diego .....22,500,000           |
| 18 | San Mateo .....8,200,000            |
| 19 | Santa Clara .....46,027,000         |
| 20 | Solano .....19,700,000              |
| 21 | Tulare .....17,100,000              |
| 22 | Ventura .....5,500,000              |
| 23 | Yolo .....9,893,000                 |
| 24 | (2) Small County Projects: Maximum  |
| 25 | Augmented Allocation if Extra Funds |
| 26 | Become Available                    |
| 27 | Butte .....\$1,085,300              |
| 28 | Calaveras .....283,383              |
| 29 | Del Norte .....125,000              |
| 30 | Glenn .....1,670,011                |
| 31 | Humboldt .....655,683               |
| 32 | Inyo .....1,003,500                 |
| 33 | Marin .....857,886                  |
| 34 | Mariposa .....250,708               |
| 35 | Mendocino .....1,875,000            |
| 36 | Mono .....1,209,241                 |
| 37 | Monterey .....959,475               |
| 38 | Napa .....1,003,500                 |
| 39 | Nevada .....900,150                 |
| 40 | Sierra .....125,587                 |

|    |  |           |
|----|--|-----------|
| 1  | Placer .....   | 736,275   |
| 2  | Plumas .....   | 900,000   |
| 3  | San Benito .....                                       | 100,500   |
| 4  | San Francisco .....                                    | 1,590,075 |
| 5  | San Joaquin .....                                      | 2,187,545 |
| 6  | San Luis Obispo .....                                  | 696,973   |
| 7  | Santa Barbara .....                                    | 1,500,000 |
| 8  | Santa Cruz .....                                       | 488,250   |
| 9  | Siskiyou .....   | 2,181,750 |
| 10 | Sonoma .....   | 4,500,000 |
| 11 | Stanislaus .....                                       | 933,000   |
| 12 | Tuolumne .....   | 922,125   |
| 13 | Yuba .....   | 355,233   |
| 14 | (3) Other county projects to be disbursed \$19,200,000 |           |
| 15 | pursuant to rules and regulations established          |           |
| 16 | by the Board of Corrections to counties which          |           |
| 17 | made small project applications under the              |           |
| 18 | County Jail Capital Expenditure Bond Act               |           |
| 19 | of 1981  |           |

20  
 21 (e) At the request of a county, the board shall have authority to  
 22 revise projects approved for a county, as provided in the board's  
 23 February, 1984, listing and as provided for in subdivision (c), if  
 24 one or more of the following situations exist:

25 (1) Natural or manmade disasters, such as fire, flood, or  
 26 earthquake, have seriously damaged or destroyed the county's jail  
 27 facilities.

28 (2) Court orders seriously affecting jail population needs or  
 29 housing have been issued after February, 1984.

30 (3) The request of a county to revise its plans and priorities will  
 31 result in an improved ability to meet jail needs or lower costs.

32 (4) Undue hardships or operational difficulties would result if  
 33 original plans, as approved by the board in February, 1984, are  
 34 adhered to.

35 The funding for such a change may not exceed that listed in  
 36 subdivision (c), unless there is legislative approval and a special  
 37 appropriation.

38 Extra funding requests shall be submitted by the board in bill  
 39 form once yearly in January, except in cases of emergency.

1 (f) Forty million dollars (\$40,000,000) in earned interest on  
2 proceeds from the sale of bonds, plus unexpended funds from  
3 approved projects, shall be also allocated for the funding of projects  
4 specified in subdivision (c) or authorized by the Board of  
5 Corrections pursuant to subdivision (e), but not to exceed a  
6 county's maximum allocation under subdivision (c).

7 Following full funding for commitments in subdivision (c), any  
8 additional interest in excess of this amount, any unexpended funds,  
9 and any future bond issues for jail construction, or other fund  
10 sources that shall become available, shall be allocated first to Los  
11 Angeles County to a maximum of twenty-nine million dollars  
12 (\$29,000,000), and then a maximum of nine million dollars  
13 (\$9,000,000) to augment small county projects described in  
14 paragraph (1) of subdivision (c) for those counties that were not  
15 funded for 75 percent of project cost in the allocations of the Board  
16 of Corrections in February of 1984.

17 Available funds in excess of that described above in this  
18 subdivision shall be allocated by the board to the following counties  
19 specified in paragraph (2) of subdivision (c) which have had to  
20 postpone secondary or lesser projects originally approved by the  
21 board in its February, 1984, listing: El Dorado, Fresno, Merced,  
22 Riverside, San Diego, Kings, and Kern. The board shall review  
23 these postponed projects at the time funding becomes available to  
24 ascertain that they still fit in with the needs of these counties and  
25 may make revisions commensurate with funding available at that  
26 time.

27 Any remaining funds available after funding of projects described  
28 in this subdivision shall be allocated to other county projects to be  
29 disbursed pursuant to rules and regulations established by the  
30 Board of Corrections to counties which made small project  
31 applications under the County Jail Capital Expenditure Bond Act  
32 of 1981, to a total maximum amount not to exceed that provided  
33 in paragraph (3) of subdivision (d) and for counties' projects, up  
34 to the maximums specified in subdivision (d) under a system  
35 approved by the Board of Corrections.

36 (g) Within 60 days after this act becomes effective, the  
37 Department of Finance shall review the adequacy and  
38 appropriateness of the board's fiscal and contract regulations  
39 governing disbursement of funds and monitoring of projects once  
40 the projects are funded. These regulations address eligible cost

1 issues, matching fund requirements, and contract management  
2 provisions. Following these consultations, the board shall determine  
3 whether changes in regulations or administrative policies may be  
4 necessary or desirable.

5 Counties shall have the right of appeal to the Department of  
6 Finance regarding the regulations promulgated pursuant to this  
7 subdivision or interpretations thereof. The department's authority  
8 in these appeals shall be limited to advisory recommendations,  
9 which shall be provided to the board and the county within 45 days  
10 after an appeal is submitted by the county to the department.

11 (h) The Board of Corrections shall provide funding at the earliest  
12 opportunity to Sacramento and other counties that are ready to  
13 proceed with construction.

14 ~~(i) On March 31 of each year, the board shall provide to the~~  
15 ~~Legislature a report on the status of funds expended, interest being~~  
16 ~~earned, and other source possibilities, along with a complete listing~~  
17 ~~of funds allocated to each county, any recommendations by the~~  
18 ~~board on needed changes in the program, and any other matters~~  
19 ~~pertinent to jail funding on which the board wishes to inform the~~  
20 ~~Legislature.~~

21 ~~SEC. 215.~~

22 ~~SEC. 214.~~ Section 3 of Chapter 1397 of the Statutes of 1988  
23 is repealed.

24 ~~SEC. 216.~~

25 ~~SEC. 215.~~ Section 1 of Chapter 1436 of the Statutes of 1988  
26 is amended to read:

27 Section 1. Notwithstanding Sections 13340 and 16361 of the  
28 Government Code, and to the extent permitted by federal law, the  
29 sum of twenty-five million two hundred eighty-five thousand  
30 dollars(\$25,285,000) of the money in the Federal Trust Fund,  
31 created pursuant to Section 16360 of the Government Code,  
32 received by the state either from federal oil overcharge funds in  
33 the petroleum violations escrow account, as defined by Section  
34 155 of the Further Continuing Appropriations Act of 1983 (Public  
35 Law 97-377) or by any other federal law, or from federal oil  
36 overcharge funds available pursuant to court judgments or federal  
37 agency orders, is hereby appropriated for allocation as follows:

38 (a) Twenty million dollars (\$20,000,000) to the Department of  
39 Economic Opportunity to be used over a three-year period as  
40 follows:



1 (1) Ten million dollars (\$10,000,000) for the Energy Crisis  
2 Intervention Program provided under subdivision (d) of Section  
3 16367.5 of the Government Code, to be allocated for pilot projects  
4 which are designed to provide program services aimed at increasing  
5 the self-sufficiency of low-income persons. The department shall,  
6 as soon as practicable, enter into contracts with nonprofit  
7 community action agencies and community-based organizations  
8 eligible to administer energy crisis intervention program funds,  
9 and shall require contractors receiving funds under this paragraph  
10 to conduct pilot projects, as determined to be appropriate by the  
11 department, involving one or more of the following:

12 (A) Establishment of a mandatory referral system of energy  
13 crisis intervention program recipients to the department's  
14 weatherization program.

15 (B) Development of a copayment plan to require energy crisis  
16 intervention program applicants to pay for a portion of the  
17 delinquent energy bill, or assisting clients with arranging for an  
18 affordable payment plan.

19 (C) Development of a process to assist energy crisis intervention  
20 applicants to enter into agreements with energy utility companies  
21 to pay their utility bills in levelized payments throughout the year.

22 (D) Development of a program to maximize the number of  
23 clients served during the year by employing methods including  
24 limiting assistance to one time per year per client.

25 (E) Establishment of an education program to provide  
26 information to energy crisis intervention program clients which  
27 would promote long-term reductions in utility bills.

28 (F) Establishment of procedures to eliminate any person from  
29 receiving energy crisis intervention program assistance for a  
30 current, as opposed to a delinquent, utility bill. Department  
31 contracts for implementing the pilot projects set forth in  
32 subparagraphs (A) to (F), inclusive, shall include provisions for  
33 providing special consideration or exemptions for senior citizens,  
34 for persons with life-threatening medical conditions, and for other  
35 severely handicapped individuals who would suffer substantial  
36 hardship if compelled to comply with this paragraph. ~~The~~  
37 ~~department shall submit a report to the Legislature within nine~~  
38 ~~months after the conclusion of the three-year expenditure period~~  
39 ~~on the results of the pilot projects required under this paragraph,~~  
40 ~~including recommendations for those pilot projects which should~~

1 be permanently included under subdivision (d) of Section 16367.5  
2 of the Government Code. Ninety days prior to submitting the report  
3 to the Legislature, the department shall provide a draft report to  
4 the contractors, the Legislative Analyst, and the Auditor General  
5 for a 45-day review and comment period. The final report shall  
6 include the comments of the Legislative Analyst and the Auditor  
7 General as well as any response determined to be appropriate by  
8 the department.

9 (2) Ten million dollars (\$10,000,000) for the home energy  
10 assistance program provided under subdivision (e) of Section  
11 16367.5 of the Government Code.

12 (b) Five million two hundred eighty-five thousand dollars  
13 (\$5,285,000) to the State Energy Resources Conservation and  
14 Development Commission to be used as follows:

15 (1) Four million dollars (\$4,000,000) to be used for the  
16 Institutional Conservation Program, Schools and Hospitals Grants  
17 Program, to furnish up to 50 percent matching grant funds for  
18 technical assistance studies and the installation of energy efficiency  
19 measures in public and nonprofit private schools and hospitals.

20 (2) One million dollars (\$1,000,000) to be deposited in the  
21 Energy Technologies Research, Development, and Demonstration  
22 Account in the General Fund to be used to carry out new energy  
23 technology demonstration contract research projects pursuant to  
24 Chapter 7.8 (commencing with Section 25680) of Division 15 of  
25 the Public Resources Code.

26 (3) Two hundred eighty-five thousand dollars (\$285,000) to  
27 establish an intervenor award program, administered by the  
28 commission's Public Advisor, to provide intervenors facing  
29 financial hardship with reasonable awards to pay for the costs of  
30 participating in commission proceedings other than those conducted  
31 under Chapter 6 (commencing with Section 25500) of Division  
32 15 of the Public Resources Code. The commission and the Public  
33 Advisor shall implement the intervenor award program within  
34 eight months after receipt of these funds, and shall report to the  
35 Legislature on the program's status within two years after receipt  
36 of the funds.

37 ~~SEC. 217.~~

38 *SEC. 216.* Resolution Chapter 173 of the Statutes of 1989 is  
39 repealed.

1     ~~SEC. 218.~~

2     ~~SEC. 217.~~ Resolution Chapter 12 of the Statutes of 1990 is  
3     repealed.

4     ~~SEC. 219.~~ Section 5 of Chapter 585 of the Statutes of 1993 is  
5     amended to read:

6     ~~Sec. 5. (a) The Department of Corrections is hereby authorized~~  
7     ~~to construct and establish a secure substance abuse treatment~~  
8     ~~facility for minimum and medium security inmates at a location~~  
9     ~~to be determined by the department.~~

10    ~~(b) Only inmates who have a history of substance abuse shall~~  
11    ~~be housed in the secure substance abuse treatment facility. The~~  
12    ~~department shall give priority to housing inmates in the facility~~  
13    ~~who the department determines meet all of the following criteria:~~

14    ~~(1) The inmate desires to participate in substance abuse~~  
15    ~~treatment.~~

16    ~~(2) The inmate is incarcerated for crimes in which substance~~  
17    ~~abuse was a contributing factor.~~

18    ~~(3) The inmate has sufficient time remaining on his or her~~  
19    ~~commitment to complete a full substance abuse treatment program~~  
20    ~~while incarcerated.~~

21    ~~(c) The secure substance abuse treatment facility shall be a~~  
22    ~~minimum and medium security facility and shall house only~~  
23    ~~inmates determined to be either Level I or Level II security levels~~  
24    ~~as determined by the department's inmate classification system.~~  
25    ~~The facility shall be designed specifically to provide intensive~~  
26    ~~substance abuse treatment to all inmates housed in the facility.~~

27    ~~(d) All inmates housed in the secure substance abuse treatment~~  
28    ~~facility shall receive comprehensive substance abuse treatment.~~  
29    ~~Treatment shall be multifaceted and highly structured with clearly~~  
30    ~~defined rules and explicit expectation with regard to inmate~~  
31    ~~behavior. Programs shall reinforce positive behavior and encourage~~  
32    ~~inmates to develop social skills through limited self-government~~  
33    ~~within treatment groups. Treatments shall include, but not be~~  
34    ~~limited to, individual and group substance abuse counseling and~~  
35    ~~workshops, victim awareness, academic and vocational education,~~  
36    ~~physical fitness, drug testing, and planning for successful and sober~~  
37    ~~reentry upon parole. The existing institutional treatment~~  
38    ~~components of the Right-Turn Program at the R.J. Donovan~~  
39    ~~Correctional Facility and the Female Offender Substance Abuse~~

1 Program at the California Institute for Women and their aftercare  
2 components shall serve as models for these treatment programs.

3 (e) The same range and intensity of treatment services shall be  
4 available to inmates whenever the facility is operated at a level  
5 that is greater than its designed bed capacity.

6 (f) The department shall monitor the progress of parolees  
7 released from the secure substance abuse treatment facility.

8 SEC. 220. Section 3 of Chapter 1030 of the Statutes of 1993  
9 is amended to read:

10 Sec. 3. (a) The State Department of Health Services shall  
11 convene a workgroup to address the policy issues related to the  
12 development of a pediatric service continuum. The workgroup  
13 shall seek input from clinicians and other interested and  
14 knowledgeable parties, and shall develop emergency regulations  
15 and a reimbursement structure for services to technology dependent  
16 children with special needs no later than April 1, 1994.

17 (b) The department shall continue the efforts of the workgroup  
18 beyond April 1, 1994, to address the policy issues related to the  
19 development of other services necessary to define and provide a  
20 pediatric service continuum that addresses the needs of other  
21 children with special health care needs. Those services, subject to  
22 the availability of federal financial participation, may include, but  
23 are not limited to, the provision of pediatric day health and respite  
24 care facility services, as defined in Section 1760.2 of the Health  
25 and Safety Code, and congregate living health facility services, as  
26 defined in subdivision (i) of Section 1250 of the Health and Safety  
27 Code.

28 SEC. 218. Section 5 of Chapter 585 of the Statutes of 1993 is  
29 amended to read:

30 Sec. 5. (a) The Department of Corrections is hereby authorized  
31 to construct and establish a secure substance abuse treatment  
32 facility for minimum and medium security inmates at a location  
33 to be determined by the department.

34 (b) Only inmates who have a history of substance abuse shall  
35 be housed in the secure substance abuse treatment facility. The  
36 department shall give priority to housing inmates in the facility  
37 who the department determines meet all of the following criteria:

38 (1) The inmate desires to participate in substance abuse  
39 treatment.

1 (2) The inmate is incarcerated for crimes in which substance  
2 abuse was a contributing factor.

3 (3) The inmate has sufficient time remaining on his or her  
4 commitment to complete a full substance abuse treatment program  
5 while incarcerated.

6 (c) The secure substance abuse treatment facility shall be a  
7 minimum and medium security facility and shall house only  
8 inmates determined to be either Level I or Level II security levels  
9 as determined by the department's inmate classification system.  
10 The facility shall be designed specifically to provide intensive  
11 substance abuse treatment to all inmates housed in the facility.

12 (d) All inmates housed in the secure substance abuse treatment  
13 facility shall receive comprehensive substance abuse treatment.  
14 Treatment shall be multifaceted and highly structured with clearly  
15 defined rules and explicit expectation with regard to inmate  
16 behavior. Programs shall reinforce positive behavior and encourage  
17 inmates to develop social skills through limited self-government  
18 within treatment groups. Treatments shall include, but not be  
19 limited to, individual and group substance abuse counseling and  
20 workshops, victim awareness, academic and vocational education,  
21 physical fitness, drug testing, and planning for successful and sober  
22 reentry upon parole. The existing institutional treatment  
23 components of the Right-Turn Program at the R.J. Donovan  
24 Correctional Facility and the Female Offender Substance Abuse  
25 Program at the California Institute for Women and their aftercare  
26 components shall serve as models for these treatment programs.

27 (e) The same range and intensity of treatment services shall be  
28 available to inmates whenever the facility is operated at a level  
29 that is greater than its designed bed capacity.

30 (f) The department shall monitor the progress of parolees  
31 released from the secure substance abuse treatment facility ~~and~~  
32 ~~report to the Legislature annually on or before January 1. These~~  
33 ~~reports shall include data on the rate of recidivism and relapse to~~  
34 ~~substance abuse of inmates released from these facilities.~~

35 *SEC. 219. Section 3 of Chapter 1030 of the Statutes of 1993*  
36 *is amended to read:*

37 Sec. 3. (a) ~~(1)~~—The State Department of Health Services shall  
38 convene a workgroup to address the policy issues related to the  
39 development of a pediatric service continuum. The workgroup  
40 shall seek input from clinicians and other interested and

1 knowledgeable parties, and shall develop emergency regulations  
2 and a reimbursement structure for services to technology dependent  
3 children with special needs no later than April 1, 1994.

4 (2)

5 (b) The department shall continue the efforts of the workgroup  
6 beyond April 1, 1994, to address the policy issues related to the  
7 development of other services necessary to define and provide a  
8 pediatric service continuum that addresses the needs of other  
9 children with special health care needs. Those services, subject to  
10 the availability of federal financial participation, may include, but  
11 are not limited to, the provision of pediatric day health and respite  
12 care facility services, as defined in Section 1760.2 of the Health  
13 and Safety Code, and congregate living health facility services, as  
14 defined in subdivision (i) of Section 1250 of the Health and Safety  
15 Code.

16 ~~(b) The State Department of Health Services shall report the~~  
17 ~~results of the workgroup to the appropriate committees of the~~  
18 ~~Legislature upon development of the regulations and~~  
19 ~~reimbursement structure pursuant to subdivision (a).~~

20 ~~SEC. 221.~~

21 ~~SEC. 220.~~ Section 1 of Chapter 452 of the Statutes of 1996 is  
22 repealed.

23 ~~SEC. 222.~~ Section 1 of Chapter 561 of the Statutes of 1997 is  
24 amended to read:

25 Section 1. ~~(a) It is the intent of the Legislature in enacting this~~  
26 ~~act to establish a pilot project relative to group homes, for the~~  
27 ~~purpose of reducing complaints to the State Department of Social~~  
28 ~~Services, by encouraging residents to work with group home~~  
29 ~~operators to resolve concerns. The pilot project shall be limited to~~  
30 ~~San Bernardino County.~~

31 ~~(b) It is further the intent of the Legislature that the pilot project~~  
32 ~~be designed to measure the increase or decrease in complaints to~~  
33 ~~the Inland Empire Office-Residential of the State Department of~~  
34 ~~Social Services about group homes located in San Bernardino~~  
35 ~~County, as a result of the pilot project.~~

36 ~~(c) The pilot project shall be deemed successful if, at the~~  
37 ~~conclusion of the pilot project, monthly complaints to the Inland~~  
38 ~~Empire Office-Residential of the State Department of Social~~  
39 ~~Services about group homes located in San Bernardino County~~  
40 ~~have been reduced by at least 10 percent, compared to the number~~

1 of complaints that were received prior to the initiation of the pilot  
2 project.

3 ~~(d) For purposes of this act, “group home” means any facility~~  
4 ~~of any capacity that provides 24-hour nonmedical care and~~  
5 ~~supervision to children in a structured environment with the~~  
6 ~~services provided at least in part by staff employed by the licensee.~~

7 ~~(e) This act shall not apply to family homes certified by foster~~  
8 ~~family agencies, foster family homes, and small family homes. It~~  
9 ~~is not the intent of the Legislature that this act be applied in a~~  
10 ~~discriminatory manner.~~

11 ~~(f) The pilot project established by this act shall terminate on~~  
12 ~~January 1, 2001.~~

13 *SEC. 221. Section 1 of Chapter 561 of the Statutes of 1997 is*  
14 *amended to read:*

15 Section 1. (a) It is the intent of the Legislature in enacting this  
16 act to establish a pilot project relative to group homes, for the  
17 purpose of reducing complaints to the State Department of Social  
18 Services, by encouraging residents to work with group home  
19 operators to resolve concerns. The pilot project shall be limited to  
20 San Bernardino County.

21 (b) It is further the intent of the Legislature that the pilot project  
22 be designed to measure the increase or decrease in complaints to  
23 the Inland Empire Office-Residential of the State Department of  
24 Social Services about group homes located in San Bernardino  
25 County, as a result of the pilot project.

26 (c) The pilot project shall be deemed successful if, at the  
27 conclusion of the pilot project, monthly complaints to the Inland  
28 Empire Office-Residential of the State Department of Social  
29 Services about group homes located in San Bernardino County  
30 have been reduced by at least 10 percent, compared to the number  
31 of complaints that were received prior to the initiation of the pilot  
32 project.

33 (d) For purposes of this act, “group home” means any facility  
34 of any capacity that provides 24-hour nonmedical care and  
35 supervision to children in a structured environment with the  
36 services provided at least in part by staff employed by the licensee.

37 (e) This act shall not apply to family homes certified by foster  
38 family agencies, foster family homes, and small family homes. It  
39 is not the intent of the Legislature that this act be applied in a  
40 discriminatory manner.

(f) The pilot project established by this act shall terminate on January 1, 2001.

~~(g) Upon the conclusion of the pilot project established by this act, the State Department of Social Services shall report to the Legislature on the effectiveness of the pilot project, based upon the goals provided for by subdivision (e).~~

~~SEC. 223.~~

~~SEC. 222.~~ Section 4 of Chapter 1299 of the Statutes of 1992, as amended by Sections 3 of Chapter 751 of the Statutes of 1997, is repealed.

~~SEC. 224.~~ Section 8 of Chapter 329 of the Statutes of 2000 is amended to read:

~~Sec. 8.~~ The sum of fifty seven million five hundred thousand dollars (\$57,500,000) is hereby appropriated from the General Fund to the State Controller for the following purposes:

~~(a) Five million two hundred thousand dollars (\$5,200,000) to fund temporary staff resources, including, but not limited to, limited term positions, not to exceed four years, at the Energy Resources Conservation and Development Commission, the agencies, boards, and departments within the California Environmental Protection Agency, and the Resources Agency, with jurisdiction over electrical powerplant siting and conservation and demand side management programs, for the exclusive purpose of implementing programs pursuant to this act.~~

~~(b) It is the intent of the Legislature that these funds for staff resources be expended exclusively to implement programs that achieve the maximum feasible cost-effective energy conservation and efficiency while providing the necessary staff resources to expedite siting of electrical powerplants that meet the criteria established pursuant to the act adding this section.~~

~~(c) Two million three hundred thousand dollars (\$2,300,000) to the Public Utilities Commission, to fund temporary staff resources, including limited term positions not to exceed four years, and to implement the programs established pursuant to this act.~~

~~(d) Fifty million dollars (\$50,000,000) to the Energy Resources Conservation and Development Commission, to implement cost-effective energy conservation and demand-side management programs established pursuant to Section 25555 of the Public Resources Code, as enacted by this act. The commission shall~~



1 ~~prioritize conservation and demand-side management programs~~  
2 ~~funded pursuant to this subdivision to ensure that those programs~~  
3 ~~that achieve the most immediate and cost-effective energy savings~~  
4 ~~are undertaken as a first priority.~~

5 SEC. 225. ~~Section 2 of Chapter 790 of the Statutes of 2000 is~~  
6 ~~amended to read:~~

7 ~~Sec. 2. Notwithstanding the repeal of Division 10.5~~  
8 ~~(commencing with Section 12200) of the Public Resources Code~~  
9 ~~on January 1, 2007, by Section 12291 of the Public Resources~~  
10 ~~Code, the Department of Forestry and Fire Protection shall provide~~  
11 ~~for monitoring of conservation easements purchased pursuant to~~  
12 ~~former Division 10.5 (commencing with Section 12200) of the~~  
13 ~~Public Resources Code in order to assess the condition of resources~~  
14 ~~being protected, and to ensure that the terms of the easement are~~  
15 ~~being met pursuant to a given conservation easement.~~

16 SEC. 223. ~~Section 8 of Chapter 329 of the Statutes of 2000 is~~  
17 ~~amended to read:~~

18 Sec. 8. The sum of fifty seven million five hundred thousand  
19 dollars (\$57,500,000) is hereby appropriated from the General  
20 Fund to the State Controller for the following purposes:

21 (a) Five million two hundred thousand dollars (\$5,200,000) to  
22 fund temporary staff resources, including, but not limited to, limited  
23 term positions, not to exceed four years, at the Energy Resources  
24 Conservation and Development Commission, the agencies, boards,  
25 and departments within the California Environmental Protection  
26 Agency, and the Resources Agency, with jurisdiction over electrical  
27 powerplant siting and conservation and demand side management  
28 programs, for the exclusive purpose of implementing programs  
29 pursuant to this act.

30 ~~(1) Prior to the expenditure of funds pursuant to this subdivision,~~  
31 ~~the commission shall prepare and submit an expenditure plan to~~  
32 ~~the Governor and the Legislature that specifies those agencies and~~  
33 ~~positions for which those funds will be expended.~~

34 (2)  
35 (b) It is the intent of the Legislature that these funds for staff  
36 resources be expended exclusively to implement programs that  
37 achieve the maximum feasible cost-effective energy conservation  
38 and efficiency while providing the necessary staff resources to  
39 expedite siting of electrical powerplants that meet the criteria  
40 established pursuant to the act adding this section.

1     ~~(b)~~

2     (c) Two million three hundred thousand dollars (\$2,300,000)  
3     to the Public Utilities Commission, to fund temporary staff  
4     resources, including limited term positions not to exceed four  
5     years, and to implement the programs established pursuant to this  
6     act.

7     ~~(e)~~

8     (d) Fifty million dollars (\$50,000,000) to the Energy Resources  
9     Conservation and Development Commission, to implement  
10    cost-effective energy conservation and demand-side management  
11    programs established pursuant to Section 25555 of the Public  
12    Resources Code, as enacted by this act. The commission shall  
13    prioritize conservation and demand-side management programs  
14    funded pursuant to this subdivision to ensure that those programs  
15    that achieve the most immediate and cost-effective energy savings  
16    are undertaken as a first priority.

17    SEC. 224. Section 2 of Chapter 790 of the Statutes of 2000 is  
18    amended to read:

19    Sec. 2. Notwithstanding the repeal of Division 10.5  
20    (commencing with Section 12200) of the Public Resources Code  
21    on January 1, 2007, by Section 12291 of the Public Resources  
22    Code, the Department of Forestry and Fire Protection shall ~~do both~~  
23    ~~of the following:~~ *provide for monitoring of conservation easements*  
24    *purchased pursuant to former Division 10.5 (commencing with*  
25    *Section 12200) of the Public Resources Code in order to assess*  
26    *the condition of resources being protected, and to ensure that the*  
27    *terms of the easement are being met pursuant to a given*  
28    *conservation easement.*

29    ~~(a) Provide for monitoring of conservation easements purchased~~  
30    ~~pursuant to former Division 10.5 (commencing with Section 12200)~~  
31    ~~of the Public Resources Code in order to assess the condition of~~  
32    ~~resources being protected, and to ensure that the terms of the~~  
33    ~~easement are being met pursuant to a given conservation easement.~~

34    ~~(b) Annually report to the Governor and the Legislature by~~  
35    ~~January 1 of each year on the number of easements purchased~~  
36    ~~pursuant to former Division 10.5 (commencing with Section 12200)~~  
37    ~~of the Public Resources Code, and a description of those easements.~~

38    ~~SEC. 226.~~

39    SEC. 225. Section 51 of Chapter 171 of the Statutes of 2001  
40    is repealed.

1     ~~SEC. 227.~~

2     ~~SEC. 226.~~ Section 5 of Chapter 7 of the Statutes of 2001, First  
3 Extraordinary Session, is amended to read:

4     Sec. 5. In order to achieve a total reduction in peak electricity  
5 demand of not less than 2,585 megawatts, the sum of seven  
6 hundred eight million nine hundred thousand dollars  
7 (\$708,900,000) is hereby appropriated from the General Fund to  
8 the Controller for allocation according to the following schedule:

9     (a) In order to achieve a reduction in peak electricity demand  
10 and meet urgent needs of low-income households, two hundred  
11 forty six million three hundred thousand dollars (\$246,300,000)  
12 for allocation by the Public Utilities Commission for the customers  
13 of electric and gas corporations subject to commission jurisdiction,  
14 to be expended in the following amounts:

15     (1) Fifty million dollars (\$50,000,000) to encourage the purchase  
16 of energy efficient equipment, and retirement of inefficient  
17 appliances and improvements in the efficiency of high-efficiency  
18 heating, ventilating, and air-conditioning (HVAC) equipment  
19 insulation or other efficiency measures. Any funds expended  
20 pursuant to this paragraph for the purchase of refrigerators,  
21 air-conditioning equipment, and other similar residential appliances  
22 shall be expended pursuant to the following criteria:

23     (A) Priority for the expenditure of funds shall be given for the  
24 purchase or retirement of those appliances in low- and  
25 moderate-income households, and for the replacement of the oldest  
26 and least efficient appliances.

27     (B) Any retirement of residential equipment and appliances  
28 undertaken pursuant to this paragraph shall be undertaken in a  
29 manner that protects public health and the environment. Nothing  
30 in this paragraph affects the requirements of Article 10.1  
31 (commencing with Section 25211) of Chapter 6.5 of Division 20  
32 of the Health and Safety Code and Chapter 3.5 (commencing with  
33 Section 42160) of Part 3 of Division 30 of the Public Resources  
34 Code.

35     (2) One hundred million dollars (\$100,000,000) to provide  
36 immediate assistance to electric or gas utility customers enrolled  
37 in, or eligible to be enrolled in, the California Alternative Rates  
38 for Energy (CARE) Program established pursuant to Section 739.1  
39 of the Public Utilities Code. Funds appropriated pursuant to this  
40 paragraph shall be expended to increase and supplement CARE

1 discounts and to increase enrollment in the CARE program. These  
2 funds shall be available to assist those customers enrolled or  
3 eligible for CARE who are on payment arrangements or have  
4 current or pending overdue notices due to increases in energy rates.  
5 Not more than 10 percent of the funds appropriated in this  
6 subdivision shall be allocated for mass marketing to increase  
7 enrollment. The funding provided in this subdivision is intended  
8 to supplement, but not replace, surcharge-generated revenues  
9 utilized to fund the CARE program.

10 (3) Twenty million dollars (\$20,000,000) to augment funding  
11 for low-income weatherization services provided pursuant to  
12 Section 2790 of the Public Utilities Code, and to fund other energy  
13 efficient measures to assist low-income energy users.

14 (4) Sixteen million three hundred thousand dollars (\$16,300,000)  
15 for high-efficiency and ultra-low-polluting pump and motor  
16 retrofits for oil or gas, or both, producers and pipelines. For the  
17 purposes of this paragraph, “ultra low polluting” means retrofit  
18 equipment which exceeds the requirements for best available  
19 control technology within the air district in which the pump or  
20 motor is located.

21 (5) Sixty million dollars (\$60,000,000) to provide incentives to  
22 encourage replacement of low-efficiency lighting with  
23 high-efficiency lighting systems.

24 (b) In order to achieve a reduction in peak electricity demand,  
25 two hundred eighty-two million six hundred thousand dollars  
26 (\$282,600,000) to the State Energy Resources Conservation and  
27 Development Commission (hereafter the Energy Commission), to  
28 be expended in the following amounts for the following purposes:

29 (1) Sixty million dollars (\$60,000,000) for allocation by the  
30 Energy Commission to locally owned public utilities for energy  
31 efficiency, peak demand reduction, and low income assistance  
32 measures in the service areas of the locally owned public utilities  
33 analagous to those measures and programs funded in the service  
34 areas of the electric and gas corporations subject to the jurisdiction  
35 of the Public Utilities Commission pursuant to subdivision (a).

36 To the extent that any of the funds allocated to the locally owned  
37 public utilities are used to encourage the purchase of energy  
38 efficiency equipment and retirement of inefficient appliances and  
39 improvements in the efficiency of high-efficiency heating,  
40 ventilating, and air-conditioning (HVAC) equipment insulation,

1 and other efficiency measures, funds expended pursuant to this  
2 paragraph for the purchase of refrigerators, air-conditioning  
3 equipment, and other similar residential appliances shall be  
4 expended pursuant to the following criteria:

5 (i) Priority for expenditure of funds shall be given for the  
6 purchase of those appliances in low- and moderate-income  
7 households, and for the replacement of the oldest and least efficient  
8 appliances.

9 (ii) Any retirement of residential equipment and appliances  
10 undertaken pursuant to this paragraph shall be undertaken in a  
11 manner that protects public health and the environment. Nothing  
12 in this paragraph affects the requirements of Article 10.1  
13 (commencing with Section 25211) of Chapter 6.5 of Division 20  
14 of the Health and Safety Code and Chapter 3.5 (commencing with  
15 Section 42160) of Part 3 of Division 30 of the Public Resources  
16 Code.

17 (2) Thirty-five million dollars (\$35,000,000) to implement  
18 programs to improve demand-responsiveness in heating,  
19 ventilation, air-conditioning, lighting, advanced metering of energy  
20 usage, and other systems in buildings. Of the amount appropriated  
21 pursuant to this paragraph, ten million dollars (\$10,000,000) shall  
22 be used to encourage the purchase and installation of advanced  
23 metering and telemetry equipment for agricultural and water  
24 pumping customers in order to improve load management and  
25 demand responsiveness techniques particularly applicable to this  
26 sector.

27 (3) Thirty-five million dollars (\$35,000,000) to implement a  
28 low-energy usage building materials program, and other measures  
29 to lower air-conditioning usage in schools, colleges, universities,  
30 hospitals, and other nonresidential buildings. These funds shall  
31 not be available for community college facilities if Assembly Bill  
32 No. 29 of the First Extraordinary Session is enacted, becomes  
33 effective, and provides funding for energy efficiency measures to  
34 the community college from the Proposition 98 Reversion Account.

35 (4) Fifty million dollars (\$50,000,000) to implement a program  
36 to encourage third parties to implement innovative peak demand  
37 reduction measures.

38 (A) Of the amount appropriated pursuant to this paragraph, ten  
39 million dollars (\$10,000,000) shall be used for the California  
40 Agricultural Pump Energy Program to facilitate the efficiency

1 testing of existing agricultural water pumps and to provide  
2 incentives for the retrofitting of pumps to increase efficiency as  
3 necessary. Up to one million dollars (\$1,000,000) of those funds  
4 shall be used for grants to local public agencies to enhance and  
5 expedite the testing of agricultural water pumps.

6 (B) Of the amount appropriated pursuant to this paragraph, not  
7 more than one million dollars (\$1,000,000) shall be expended by  
8 the commission to fund one-time startup costs for innovative  
9 voluntary programs to reduce air emissions through energy  
10 conservation and related actions pursuant to programs authorized  
11 by law in effect on the effective date of this act.

12 (5) Seventy-five million dollars (\$75,000,000) to implement  
13 programs to reduce peak load electricity usage, encourage bio-gas  
14 digestion power production technologies, enhance conservation  
15 and encourage the use of alternative fuels, including, but not limited  
16 to instate natural gas resources for the agricultural and water  
17 pumping sector. These funds shall be allocated by the Energy  
18 Commission, in the form of rebates or grants, in the following  
19 amounts for the following purposes:

20 (A) Forty-five million dollars (\$45,000,000) to encourage the  
21 purchase of high efficiency electrical agricultural equipment,  
22 installed, on or after January 1, 2001, and incentives for overall  
23 electricity conservation efforts. Eligible equipment shall include,  
24 but not be limited to, lighting, refrigeration, or cold storage  
25 equipment. Any agricultural energy conservation incentive program  
26 shall recognize the increased demand due to currently reduced  
27 water supply conditions.

28 (B) Fifteen million dollars (\$15,000,000) to offset the costs of  
29 retrofitting existing natural gas powered equipment to burn  
30 alternative fuels, including, but not limited to, instate produced  
31 “non-spec” or “off-spec” natural gas.

32 (C) Fifteen million dollars (\$15,000,000) in grants to be used  
33 for pilot projects designed to encourage the development of bio-gas  
34 digestion power production technologies.

35 (i) Ten million dollars (\$10,000,000) of these funds shall be  
36 used to provide grants for the purpose of encouraging the  
37 development of manure methane power production projects on  
38 California dairies.

39 (ii) Five million dollars (\$5,000,000) of these funds shall be  
40 used to provide grants to reduce peak usage in southern California

1 by revision of system operations to produce replacement energy  
2 as a byproduct of the anaerobic digestion of bio-solids and animal  
3 wastes.

4 (6) Ten million dollars (\$10,000,000) to provide incentives for  
5 installation of light-emitting diode (LED) traffic signals.

6 (7) Seven million dollars (\$7,000,000) to implement a program  
7 to teach school children about energy efficiency in the home and  
8 at school.

9 (8) Ten million dollars (\$10,000,000) for incentives for the  
10 retrofit of existing distributed generation owned and operated by  
11 municipal water districts to replace diesel and natural gas  
12 generation with cleaner technology that reduces oxides of nitrogen  
13 emissions. Funds expended pursuant to this paragraph shall be  
14 expended exclusively for retrofit equipment that meets or exceeds  
15 the requirements for best available control technology within the  
16 air district in which the distributed generation owned and operated  
17 by a municipal water district is located, or with standards adopted  
18 by the state Air Resources Board pursuant to Section 41514.9 of  
19 the Health and Safety Code upon the effective date of those  
20 standards. Technologies eligible pursuant to this paragraph include  
21 natural gas reciprocating engines, microturbines, fuel cells, and  
22 wind and solar energy renewable technologies.

23 (9) Six hundred thousand dollars (\$600,000) for four  
24 personnel-years to improve the ability of the Energy Commission  
25 to provide timely and accurate assessments of electricity and  
26 natural gas markets.

27 (c) Except for funds expended to implement programs  
28 established pursuant to Section 25555 of the Public Resources  
29 Code, for which the Public Utilities Commission or the Energy  
30 Commission has adopted and published guidelines pursuant to that  
31 section, funds appropriated pursuant to subdivisions (a) and (b)  
32 shall be expended pursuant to guidelines adopted by each  
33 commission. The guidelines shall be exempt from the requirements  
34 of Chapter 3.5 (commencing with Section 11340) of Part 1 of the  
35 Division 3 of Title 2 of the Government Code and shall do all of  
36 the following:

37 (1) Establish cost-effectiveness criteria for programs funded.  
38 Within 10 days from the date of the adoption of criteria pursuant  
39 to this paragraph, each commission shall provide a copy of the  
40 criteria to the chairperson of the Legislative Budget Committee,

1 to the chairpersons of the appropriate policy and fiscal committees  
2 of both houses of the Legislature, and to the Governor.

3 (2) Limit administrative costs to not more than 2 ½ percent of  
4 the amount of the funds expended. For the purposes of this  
5 paragraph, “administrative costs” means commission personnel  
6 and overhead costs associated with the implementation of each  
7 measure or program. However, “administrative costs” does not  
8 include costs associated with marketing or evaluation of a measure  
9 of a program, including any two-year limited positions, as approved  
10 by the Department of Finance, necessary to implement the  
11 programs.

12 (3) Allow reasonable flexibility to shift funds among program  
13 categories in order to achieve the maximum feasible amount of  
14 energy conservation, peak load reduction, and energy efficiency  
15 by the earliest feasible date.

16 (4) Establish matching fund criteria that, except for funds  
17 appropriated pursuant to paragraphs (2) and (3) of subdivision (a),  
18 ensure that entities eligible to receive funds appropriated pursuant  
19 to subdivisions (a) and (b) pay an appropriate share of the cost of  
20 acquiring or installing measures to achieve the maximum feasible  
21 amount of energy conservation, peak load reduction, and energy  
22 efficiency by the earliest feasible date.

23 (5) Establish mechanisms and criteria that ensure that funds  
24 expended pursuant to this section through electric and gas  
25 corporations are not seized by the creditors of those corporations  
26 in the event of a bankruptcy. In implementing this paragraph, the  
27 commissions shall adopt mechanisms such as the segregation of  
28 funds by the electric or gas corporation, the holding of those funds  
29 in trust until they are expended, and the reversion of funds to the  
30 General Fund in the event of bankruptcy.

31 (6) Establish tracking and auditing procedures to ensure that  
32 funds are expended in a manner consistent with this act.

33 (d) Within six months of the effective date of this section, each  
34 commission shall contract for an independent audit of the  
35 expenditures made pursuant to subdivisions (a) and (b) for the  
36 purpose of determining whether the funds achieved demonstrable  
37 energy peak demand reduction while limiting administrative costs  
38 associated with expenditures made pursuant to those subdivisions.  
39 Within one year of the effective date of this section, each  
40 commission shall submit the audit prepared pursuant to this



1 paragraph to the Chairperson of the Joint Legislative Budget  
2 Committee, to the chairpersons of the appropriate policy and fiscal  
3 committees of both houses of the Legislature, and to the Governor.

4 (e) Ten million dollars (\$10,000,000) to the Department of  
5 Consumer Affairs to implement a public awareness program to  
6 reduce peak electricity usage. Any public awareness program to  
7 reduce peak electricity usage conducted by the Department of  
8 Consumer Affairs after November 30, 2001, shall be conducted  
9 pursuant to a contract in accordance with Article 4 (commencing  
10 with Section 10335) of Chapter 2 of the Public Contract Code.  
11 The department shall ensure that the program includes the use of  
12 nontraditional mass media, including, but not limited to, the use  
13 of community based organizations, mass media in different  
14 languages, and media targeted to low-income and ethnically diverse  
15 communities.

16 (f) Fifty million dollars (\$50,000,000) to the Department of  
17 General Services to be expended for the purposes of implementing  
18 Chapter 3.5 (commencing with Section 4240) of Division 5 of  
19 Title 1 of the Government Code. The department shall limit its  
20 administrative costs to not more than 2½ percent of the funds  
21 expended. For the purposes of this paragraph, “administrative  
22 costs” means personnel and overhead costs associated with  
23 implementation of each measure or program. However,  
24 “administrative costs” does not include costs associated with  
25 marketing or evaluation of a measure or program.

26 (g) One hundred twenty million dollars (\$120,000,000) to the  
27 Department of Community Services and Development for the  
28 purpose of supplementing the Low-Income Home Energy  
29 Assistance Program (LIHEAP). The department may also use these  
30 funds for the purposes of increasing participation in the LIHEAP  
31 program. The department shall use funds appropriated pursuant  
32 to this paragraph in the following manner:

33 (1) The department shall implement a California Low Income  
34 Home Energy Assistance Program (LIHEAP). Services provided  
35 by California’s LIHEAP shall be designed to do both of the  
36 following:

37 (A) Increase energy conservation and reduce demand for energy  
38 services in low-income households.

39 (B) Assure that the most vulnerable households cope with high  
40 energy costs.

(2) The program shall include weatherization and conservation services, energy crisis intervention services, and cash assistance payments.

(3) (A) Eligibility for California LIHEAP shall include households with incomes that do not exceed the greater of either of the following:

(i) An amount equal to 60 percent of the state median income.

(ii) An amount equal to 80 percent of the county median income.

(B) In no area shall eligibility be provided to households whose income is greater than 250 percent of the federal poverty level for this state.

(4) The department shall examine the penetration of other energy programs, including, but not limited to, those provided through federal LIHEAP, utility companies, and other parties, to identify the adequacy of services to elderly persons, disabled persons, limited-English-speaking persons, migrant and seasonal farmworkers and households with very young children. California LIHEAP funds shall be distributed so as to ensure that vulnerable populations have comparable access to energy programs.

(5) The department shall ensure that services under California LIHEAP are delivered using all of the following requirements:

(A) The department shall establish reasonable limits for expenditures, including up to 15 percent for outreach and training for consumers.

(B) Grantee agencies shall do special outreach to vulnerable households, including outreach to senior centers, independent living centers, welfare departments, regional centers, and migrant and seasonable farmworkers.

(C) Grantee agencies shall be required to coordinate with other low-income energy programs, and to demonstrate plans for using all energy resources efficiently for maximum outreach to low-income households.

(D) Grantee agencies shall spend the maximum feasible amount of California LIHEAP funds for weatherization assistance, but in no event less than 50 percent of the funds available by grantee. The balance shall be used for cash assistance and energy crisis intervention. The department shall provide grantees with maximum flexibility to use energy crisis and cash assistance funds to resolve energy crisis for households and to serve the maximum number

1 of households. Cash assistance payments may be used as a  
2 supplement to federal LIHEAP cash assistance payments.

3 (6) The department shall, in addition to administering the  
4 program, explore, with grantee agencies, standards for determining  
5 effective, efficient intake, and procedures to combine outreach for  
6 federal, state, and utility low-income energy programs into a single  
7 intake process.

8 (7) For any funds distributed in 2001, the department shall  
9 distribute funds as follows:

10 (A) Funds shall be distributed to have maximum possible impact  
11 on reducing energy demand immediately.

12 (B) First priority shall be to distribute funds through  
13 community-based programs with whom it has existing contracts.

14 (C) If additional capacity is needed beyond the existing network,  
15 or if vulnerable populations cannot be served within the existing  
16 contracts, the department may develop and RFP process to solicit  
17 additional grantees.

18 (8) The department shall limit administrative costs to not more  
19 than 2½ percent of the funds expended. For the purposes of this  
20 paragraph, “administrative costs” means personnel and overhead  
21 costs associated with the implementation of each measure or  
22 program. However, “administrative costs” does not include costs  
23 associated with the marketing or evaluation of a measure or  
24 program.

25 (h) Each state agency receiving funds appropriated pursuant to  
26 this section shall ensure, where appropriate, not less than 85 percent  
27 of the funds shall be expended for direct rebates, purchases, direct  
28 installations, buy-downs, loans, or other incentives that will achieve  
29 reductions in peak electricity demand and improvements in energy  
30 efficiency.

31 (i) On or before January 1, 2002, each state agency receiving  
32 funds appropriated pursuant to this section shall provide quarterly  
33 reports to the Chairperson of the Joint Legislative Budget  
34 Committee, to the chairpersons of the appropriate policy and fiscal  
35 committees of both houses of the Legislature, and to the Governor,  
36 which include all of the following information:

37 (1) The amount of funding expended.

38 (2) The measures, programs, or activities that were funded.

39 (3) A description of the effectiveness of the measures, programs,  
40 or activities funded in reducing peak electricity demand and

1 improving energy efficiency, as measured in kilowatthours of  
2 electricity reduced per dollar expended.

3 (j) To the extent that local government entities may apply for,  
4 and receive funds pursuant to this section, and to the extent they  
5 otherwise qualify for the funds, federally recognized California  
6 Indian tribes may apply for funds appropriated pursuant to this  
7 section on behalf of their tribal members, and the applications shall  
8 be considered on their merits. Each commission shall ensure that  
9 its efforts to provide public information on programs funded  
10 pursuant to this section shall include outreach to California Indian  
11 tribes.

12 ~~SEC. 228.~~

13 *SEC. 227.* Section 24 of Chapter 1127 of the Statutes of 2002  
14 is amended to read:

15 *Sec. 24.* (a) Funds that are appropriated in subdivision (b) of  
16 Section 2 of Assembly Bill 716 shall be available to the Department  
17 of Parks and Recreation for opportunity grants pursuant to that  
18 subdivision, and for state capital outlay projects. To the extent the  
19 funds are used for a state capital outlay project, the project shall  
20 be subject to the State Public Works Board review and approval,  
21 pursuant to Section 13332.11 of the Government Code.

22 (b) Subdivision (a) shall become operative only if Assembly  
23 Bill 716 is enacted and becomes effective on or before January 1,  
24 2003.

25 ~~SEC. 229.~~

26 *SEC. 228.* Section 2 of Chapter 87 of the Statutes of 2003 is  
27 repealed.

28 ~~SEC. 230.~~ Section 34 of Chapter 80 of the Statutes of 2005 is  
29 repealed.

30 ~~SEC. 231.~~

31 *SEC. 229.* Section 37 of Chapter 80 of the Statutes of 2005 is  
32 amended to read:

33 *Sec. 37.* On an annual basis, the State Department of Health  
34 Services shall provide fiscal information to the Joint Legislative  
35 Audit Committee and the Joint Legislative Budget Committee on  
36 the funds provided to the contract hospitals participating in the  
37 Medi-Cal program, and the health plans participating in the  
38 Medi-Cal Managed Care Program, for implementation of  
39 nurse-to-patient ratios.

~~SEC. 232.~~

*SEC. 230.* Item 0690-102-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

0690-102-0001—For local assistance, Office of Emergency Services..... 48,199,000

Schedule:

(1.5) 50.20-Victim Services..... 9,317,000

(2.5) 50.30-Public Safety..... 44,453,000

(18) Reimbursements..... -5,571,000

Provisions:

1. Notwithstanding any other provision of law, the Office of Emergency Services may provide advance payment of up to 25 percent of grant funds awarded to community-based nonprofit organizations, cities, school districts, counties, and other units of local government that have demonstrated cashflow problems according to the criteria set forth by the Office of Emergency Services.

2. To maximize the use of program funds and demonstrate the commitment of the grantees to program objectives, the Office of Emergency Services shall require all grantees of funds from the Gang Violence Suppression-Curfew Enforcement Strategy Program to provide local matching funds of at least 10 percent for the first and each subsequent year of operation. This match requirement applies to each agency that is to receive grant funds. An agency may meet its match requirements with an in-kind match, if approved by the Office of Emergency Services.

3. Of the amount appropriated in Schedule (2.5), \$300,000 shall be provided to Monterey County for a planning grant consistent with the Central Coast Rural Crime Prevention Program as established in Chapter 18 of the Statutes of 2003.

4. The Department of Finance shall include a special display table in the Governor's Budget under the Office of Emergency Services that displays, by fund source, component level detail for Program 50, Criminal Justice Projects. In addition, the Office of Emer-

agency Services, in consultation with the Department of Finance, shall provide a report to the Joint Legislative Budget Committee by January 10 of each year that provides a list of grantees, total funds awarded to each grantee, and performance statistics to document program outputs and outcomes in order to assess the state's return on investment for each component of Program 50 for each of the three years displayed in the Governor's Budget.

6. Of the amount appropriated in this item, the Department of Finance may authorize the transfer of up to 5 percent (up to \$995,000) of the augmentation for the California Multijurisdictional Methamphetamine Enforcement Teams Program to Item 0690-001-0001 for the purpose of conducting an independent evaluation of the program.
7. Of the funding appropriated in this item, \$29,400,000 is for local assistance to support the California Multijurisdictional Methamphetamine Enforcement Teams Program. \$19,900,000 of this funding is provided on a two-year, limited-term basis.
8. Of the amount appropriated in this item, \$400,000 shall be available for grants to any private nonprofit organizations that have previously received funding from the California Innocence Protection Program. Any entity receiving funding under this program shall provide detailed expenditure reports semiannually and annually on the use of funds provided under this program. The Office of Emergency Services shall prepare and submit a report to the Joint Legislative Budget Committee on or before June 30, 2007, on the foregoing information for each entity receiving funding under this program.

~~SEC. 233.~~

*SEC. 231.* Item 0690-102-0001 of Section 2.00 of the Budget Act of 2007 is amended to read:

|   |            |
|---|------------|
| 0690-102-0001—For local assistance, Office of Emergency |            |
| Services.....   | 61,949,000 |

Schedule:

|                                |            |
|--------------------------------|------------|
| (1) 50.20-Victim Services..... | 4,352,000  |
| (2) 50.30-Public Safety.....   | 57,597,000 |

Provisions:

1. Notwithstanding any other provision of law, the Office of Emergency Services may provide advance payment of up to 25 percent of grant funds awarded to community-based nonprofit organizations, cities, school districts, counties, and other units of local government that have demonstrated cashflow problems according to the criteria set forth by the Office of Emergency Services.
2. To maximize the use of program funds and demonstrate the commitment of the grantees to program objectives, the Office of Emergency Services shall require all grantees of funds from the Gang Violence Suppression-Curfew Enforcement Strategy Program to provide local matching funds of at least 10 percent for the first and each subsequent year of operation. This match requirement applies to each agency that is to receive grant funds. An agency may meet its match requirements with an in-kind match, if approved by the Office of Emergency Services.
3. Of the amount appropriated in Schedule (2), \$800,000 shall be provided for grants to counties, consistent with the Central Coast Rural Crime Prevention Program as established in Chapter 18 of the Statutes of 2003. The funds shall be distributed only to counties for planning, or for implementation of the program in those counties that have completed the planning process, consistent with Chapter 18 of the Statutes of 2003. In no case shall a grant exceed \$300,000.
4. The Department of Finance shall include a special display table in the Governor's Budget under the Office of Emergency Services that displays, by fund source, component level detail for Program 50, Criminal Justice Projects. In addition, the Office of Emergency Services, in consultation with the Department of Finance, shall provide a report to the Joint Legislative Budget Committee by January 10 of each year

1 that provides a list of grantees, total funds awarded to  
2 each grantee, and performance statistics to document  
3 program outputs and outcomes in order to assess the  
4 state's return on investment for each component of  
5 Program 50 for each of the three years displayed in  
6 the Governor's Budget.

7 5. Of the funding appropriated in Schedule (2) of this  
8 item, \$29,400,000 is for local assistance to support the  
9 California Multijurisdictional Methamphetamine En-  
10 forcement Teams Program. \$19,900,000 of this fund-  
11 ing is provided on a one-year, limited-term basis.

12 6. Of the amount appropriated in Schedule (2),  
13 \$8,000,000 is in augmentation of the Vertical Prosecu-  
14 tion Block Grants for a total program of \$16,176,000.

15  
16 ~~SEC. 234.~~

17 *SEC. 232.* Section 41 of Chapter 177 of the Statutes of 2007  
18 is amended to read:

19 Sec. 41. The amendments made by this act contained in clause  
20 (ii) of subparagraph (B) of paragraph (1) of subdivision (a) of  
21 Section 1534, paragraph (2) of subdivision (c) of Section 1569.33,  
22 paragraph (2) of subdivision (c) of Section 1597.09, and paragraph  
23 (2) of subdivision (c) of Section 1597.55a of the Health and Safety  
24 Code shall be suspended for the 2007–08 fiscal year. The State  
25 Department of Social Services shall provide information that  
26 reflects appropriate indicators to trigger an annual increase in the  
27 number of facilities for which the department conducts  
28 unannounced visits in future budget proposals. The department  
29 shall work with legislative staff, the Legislative Analyst's Office,  
30 and interested stakeholders to develop the indicators.

31 ~~SEC. 235.~~

32 *SEC. 233.* *The Second* Section 2 of Chapter 642 of the Statutes  
33 of 2007 is repealed.

34 ~~SEC. 236.~~

35 *SEC. 234.* Section 72 of Chapter 758 of the Statutes of 2008  
36 is repealed.

37 ~~SEC. 237.~~

38 *SEC. 235.* Section 38 of Chapter 759 of the Statutes of 2008  
39 is amended to read:



1     Sec. 38. On or before February 1, 2009, the Department of  
2     Child Support Services shall provide the appropriate committees  
3     of the Legislature with trailer bill language to codify the new state  
4     hearing process.

5     ~~SEC. 238.~~

6     ~~SEC. 236.~~ Section 173 of Chapter 717 of the Statutes of 2010  
7     is repealed.

8     ~~SEC. 239.~~

9     ~~SEC. 237.~~ Section 37 of Chapter 6 of the Statutes of 2011 is  
10    repealed.

11    ~~SEC. 240.~~

12    ~~SEC. 238.~~ Section 38 of Chapter 6 of the Statutes of 2011 is  
13    repealed.

14    ~~SEC. 241.~~

15    ~~SEC. 239.~~ Any section of any act enacted by the Legislature  
16    during the 2012 calendar year that takes effect on or before January  
17    1, 2013, and that amends, amends and renumbers, adds, repeals  
18    and adds, or repeals a section that is amended, amended and  
19    renumbered, added, repealed and added, or repealed by this act,  
20    shall prevail over this act, whether that act is enacted prior to, or  
21    subsequent to, the enactment of this act. The repeal, or repeal and  
22    addition, of any article, chapter, part, title, or division of any code  
23    by this act shall not become operative if any section of any other  
24    act that is enacted by the Legislature during the 2012 calendar year  
25    and takes effect on or before January 1, 2013, amends, amends  
26    and renumbers, adds, repeals and adds, or repeals any section  
27    contained in that article, chapter, part, title, or division.